

THE CHINA  
WEEKLY

# REVIEW

報論評氏勒密

A Weekly Newspaper Established in 1917

*January 5, 1946*

## CENSORSHIP IN CHINA

AN EDITORIAL

## China Democratic League

By C. Y. W. Meng

## U.S.-U.S.S.R. Conflict Unlikely

By John Ahlers

## Currency Stabilization Needed

By Alfred Landsberger

## REFUGEE PROBLEM

AN EDITORIAL

# William Hunt & Company

*Federal Incorporated, U.S.A.*

## EXCLUSIVE DISTRIBUTORS FOR

Allis-Chalmers Manufacturing Co.  
Tractor Division

American Broach & Machine Co.

American Chain & Cable Co., Inc.

Associated Seed Growers, Inc.

The Bahnson Company

Barco Manufacturing Co.

Blaw-Knox Co.

Boeing Aircraft Co.

Boeing Airplane Co.

Buckeye Traction Ditcher Co.

The Buda Co.

Buffalo Fire Appliance Co.

Buffalo Forge Co.

Buffalo Springfield Roller Co.

Chain Belt Co.

Chase Brass & Copper Company

Cocker Machine & Foundry Co.

The Columbian Vise & Manufacturing Co.

Consolidated Expanded Metal Companies

Davis Furber Machine Co.

Dodge Manufacturing Corporation

Ellicot Machine Corporation

Everseal Manufacturing Co., Inc.

Fairbanks, Morse & Co., Inc.

Firestone Tire & Rubber Co.

Foster Wheeler Corporation

General Railway Signal Co.

Gruendler Crusher & Pulverizer Co.

H. & B. American Machine Co.

Hanchett Manufacturing Co.

Hersey Manufacturing Co.

Houchin Machinery Co., Inc.

James Hunter Machine Co.

Marion Steam Shovel Co.

Oilgear Co.

The Okonite Co.

Parks & Woolson Machine Co.

Pettibone Mulliken Corporation

Pittsburgh Lectromelt Furnace Corporation

Pullman Standard Car Export Corporation

N. Ransohoff, Inc.

Rockford Machine Tool Co.

Salmini Marine Supplies Co.

S. Morgan Smith Company

Southwestern Engineering Company

Sprout, Waldron & Co., Inc.

The Geo. L. Squier Manufacturing Co.

Steel Heddle Manufacturing Co.

Sullivan Machinery Co.

Alfred Suter Co.

Traylor Engineering & Manufacturing Co.

The Vaughn Machinery Co.

The V. & O. Press Co.

Wellman Engineering Co.

Westinghouse Electric International Co.

Whitcomb Locomotive Co.

The White Motor Co.

Williams Oil-O-Matic Heating Corporation

**NOTE:** Agreements with above firms are so drawn that no competition exists among the products handled by the Hunt Company.



# What People Are Saying

Comments from readers on current topics are cordially invited: their opinions, however, do not necessarily represent the views of *The China Weekly Review*.

## Hasty Action?

To The Editor:

Your editorial, "Trade Outlook Poor," which appeared in the December 29, 1945 issue of the *China Weekly Review* seemed to me a hasty and ill-considered outburst.

Although much of what you say about difficulties being put in the way of foreign businessmen is true, may I point out to you that this is merely the natural state of confusion occurring after the sudden, unexpected end of the war. It is only natural that there should be a certain amount of confusion and red tape during the present transitional period.

I am sure that neither the Chinese Government nor people entertain any such chauvinistic ideas of future trade relations between China and the foreign powers as you seem to suggest. We are well aware that trade is a two-way affair and that all involved must make a reasonable profit therefrom.

However, we intend to set up the standards by which any foreigner desiring to trade in China must come up to. We will have none of the foreign exploitation of the past. All we want is equal treatment—the same type of treatment nationals of America enjoy when trading with, say, a Britisher. Although determined not to be imposed upon, China only desires to enforce in China the same type of trading regulations commonly in force throughout the rest of the world.

K. K. HUANG,

Shanghai,  
December 31, 1945.

## THE CHINA WEEKLY REVIEW

160 Chung Cheng Road (Eastern)  
SHANGHAI

Tel. 14772

### SUBSCRIPTION RATES:

3 months

CNC\$

Local

Delivery: .... 1600.

Outports:

(Air Mail) .. 2000.

6 months 12 months

Abroad: .....US\$4.50 US\$8.00

## THE PARK HOTEL

A GREATER HOTEL IN SHANGHAI

ROOMS — DINING ROOM — BALL ROOM — BAR

Bubbling Well Road, (Opposite The Race Course) Shanghai, Tel. 91010

## Govt. Chart

To The Editor:

I read with great interest your chart of the Chinese Government which was published in the December 15, 1945, issue of the *China Weekly Review*. I think most readers will find it most helpful and will certainly be sure to keep it for reference, like I am doing at present. You are to be congratulated on your enterprise.

WANG WU-TZE

Shanghai,  
December 19, 1945.

To The Editor:

The Chinese Government Organization and Personnel Chart which you published last week is extremely useful to all wishing to keep track of military, government and party personnel. I would like to suggest that you publish from time to time corrections and additions, or perhaps new charts, because of the present shifting of government personnel. Such corrections would increase the value of the chart greatly.

A. RASHIN

Shanghai,  
December 17, 1945.

## THE CHINA WEEKLY REVIEW

Cable Address "REVIEWING SHANGHAI"

J. B. POWELL, Editor and Publisher

JOHN W. POWELL, EDWARD ROHRBOUGH,

WALTER H. WIENER, Editorial Dept.

F. K. CHAO, Business Manager

TRYPHON V. KU, Advertising Manager

## Index for January 5, 1946

### Editorial Paragraphs

|                              |    |
|------------------------------|----|
| Theater Riots .....          | 89 |
| Apology To Subscribers ..... | 89 |
| Censorship In China .....    | 90 |
| Refugee Problem .....        | 91 |

### Special Articles

|                                                              |                                 |
|--------------------------------------------------------------|---------------------------------|
| Democratic League Works For Unity .....                      | By C. Y. W. Meng 92             |
| Russo-American Conflict Unlikely .....                       | By John Ahlers 93               |
| Communists Handle Marine Fliers Gently But Firmly .....      | By Sgt. Wayne F. Young, USMC 94 |
| Reading Luce In China .....                                  | By Richard Watts, Jr. 96        |
| Immediate Currency Stabilization Necessary .....             | By Alfred Landsberger 99        |
| State Operated Cotton Mills May Relieve Cloth Shortage ..... | By Ben Y. Lee 105               |

### Departments

|                              |     |
|------------------------------|-----|
| What People Are Saying ..... | 87  |
| News Of The Week .....       | 100 |
| Who's Who In China .....     | 101 |
| Events In Brief .....        | 102 |
| People In The News .....     | 103 |
| Business Foot-Notes .....    | 104 |
| New Books Of Interest .....  | 106 |

PUBLISHED AT 160 CHUNG CHENG ROAD (EASTERN), SHANGHAI, CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA.

CONTENTS OF PREVIOUS ISSUES OF THE CHINA WEEKLY REVIEW MAY BE FOUND IN THE "INTERNATIONAL INDEX OF PERIODICALS," COPIES OF WHICH ARE ON FILE IN MOST STANDARD LIBRARIES.

COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 160 CHUNG CHENG ROAD (EASTERN), SHANGHAI, CHINA, TELEPHONE 14772, CABLE ADDRESS: "REVIEWING SHANGHAI."

ALL EDITORIAL, TEXT AND OTHER MATERIAL IN THE WEEKLY ISSUES OF THE CHINA WEEKLY REVIEW IS COPYRIGHTED UNDER CERTIFICATE OF REGISTRATION NO. 9953 ISSUED BY THE MINISTRY OF INTERIOR OF THE NATIONAL GOVERNMENT OF THE REPUBLIC OF CHINA.

Communist Party fully subscribe to the tenets of Marxism and that they intend, in due course, to impose a truly communistic system upon China.

I think you should have stated these facts in Mr. Rohrbough's article. As his story appeared, it gave the impression that the Communists were not Communists. This is completely untrue and only serves to increase the people's misunderstanding of the whole question.

WANG CHIA-TANG

Chungking,  
December 27, 1945.

## Postoffice Again

To The Editor:

The letter "Postal Censorship?" appearing in the Review of December 29, 1945, struck a blow at one of the worst evils in China's civil service system today.

May I suggest that you investigate the entire situation carefully and then write an editorial exposing the whole rotten mess of both postal censorship and the entire postal system.

Formerly one of China's model services, the postoffice department here has declined during the years of Japanese occupation until now it is run entirely on the system so common in our land, involving squeeze, inefficiency and so on.

I feel that I am in a position to know pretty well what goes on in Shanghai's postoffice, although I cannot speak for other places. Here the formerly efficient and honest system began to fail with the arrival of the Japanese when it was found necessary to devise means of avoiding their orders and regulations. It became common practice for patriotic postal employees to wait until Japanese supervisors left the postoffice and then pass through banned materials, letters for the interior, etc. Often the employees received remuneration for such acts. This continued throughout the Japanese rule. Today, though, it has merely degenerated into a form of squeeze, with bribes and other inducements the regular order of things.

Mails are delayed, lost, and sometimes just never sent at all. Again, may I urge you to investigate the situation thoroughly. It is a matter demanding immediate attention.

However, the postal employees cannot be blamed entirely; their earnings are so small that they cannot live upon them.

A POSTAL EMPLOYEE

Shanghai,  
December 30, 1945.

## Exit Hurley

To The Editor:

Your copy of December 15 just reached me and I wish to say that the editorial dealing with the refutation of Ambassador Hurley's charges was most welcome. At last, I hope, we have heard the end of Ambassador Hurley. Perhaps he was well meaning, but he definitely was not of sufficient caliber for the difficult job of American ambassador to China.

ERNEST HOH.

Sian,  
December 25, 1945.

*Do Your Shopping At the Home of Merchandise*

# The Sun Sun Co., Ltd.

SPECIALIZING IN NATIVE PRODUCTS

AND TRY OUR

SKY TERRACE

THE SUN SUN RESTAURANT  
IN THE SUN SUN HOTEL

For Better Service, Enjoyment & Entertainment

720 Nanking Road

Shanghai

新華信託儲蓄銀行

## Sin-Hua Trust & Savings Bank

Head Office:

361 KIANGSE ROAD, SHANGHAI.

TELEPHONE 18109

紅人牌



*Selected Leaves*

*Chieftain*  
Cigarettes



W. M. Waterman's Tobacco Corp.



# THE CHINA WEEKLY REVIEW

報論評氏勒密

A Weekly Newspaper Established in 1917

中華郵政特准掛號認爲新聞紙類

Registered at the Chinese Post Office as a newspaper  
for transmission with special marks privileges in China

Vol. 100 Shanghai, Saturday, Jan. 5, 1946 No. 6

## Theater Riots

THE question of gate-crashing at local motion picture theaters by Chinese soldiers or persons wearing army uniforms came to a head last week-end with a small riot at one theater and the arrest of more than 300 army men at another.

The practice of granting free admission to Chinese soldiers in uniform began some weeks ago and at first seemed to work out to everybody's satisfaction. However, word of this policy had hardly gotten around town before droves of uniformed men began appearing at local theaters demanding admittance. Refusals on the part of theater managers to allow their entire theaters to be filled with "free" customers led to forcible entry in many instances. In recent weeks it has been the rule, rather than the exception, for theater parties to arrive at the theater only to find their reserved—and already paid for—seats occupied by soldiers who refused to move, insisting upon occupying the best seats in the house.

This situation was first impressed upon the public's attention when General Albert C. Wedemeyer and his staff were denied admittance to a special performance by Mei Lan-fan. Although a private showing, which had been staged for Wedemeyer by Mayor Chien Ta-chun, the troops forced the mayor's guests to leave.

This is indeed a difficult situation and one that needs delicate handling. Mayor Chien is to be complimented upon his actions in last week-end's disturbances. While the legal position of the theaters in refusing admission, or in requiring that the men in uniform at least produce some identification, is unquestionable, the policy of granting free admittance to bonafide members of the Chinese armed forces is definitely to the good.

Obviously Mayor Chien showed acute understanding of the general problems behind these incidents when he ordered local theaters to abandon their plan to close all day Sunday as a measure of protest and at the same time arrested 300 gate-crashing soldiers at the Chung Kuo Theater.

This business of soldiers, or rowdies dressed as soldiers, forcing their way into the local theaters is in itself a rather minor thing. What is most important, though, is what this evidence of rowdiness represents. First, it is the same old story facing every nation trying to disband its armies. From time immemorial it has always been difficult to de-activate troops, especially after long service. Naturally, they do not like the idea of losing their financial and personal positions. Although the parallel is not so applicable to China, where armies are notoriously underpaid and under-fed, it still holds true to a certain extent.

It is only human nature that soldiers dislike going back to minor civilian positions after a war. Chinese troops which have been in control of a district and therefore able to extract both obedience and a livelihood from the natives, view with extreme disfavor the prospect of returning to their former occupations, be it pulling a ricksha, performing some other sort of coolie work or perhaps a minor clerkship. The same

holds true even more strongly for the officers, who in the Chinese Army fare so much better than the men. Witness the large number of superfluous officers in Shanghai today who commandeer houses and automobiles belonging to civilians. As they say in the American Army, "they never had it so good." Naturally they are opposed to any change in their existence because it will mean either a step down the economic scale or the necessity of doing a little work, or both.

It seems to us that there are several things needed; things that should be done immediately lest the situation get out of hand entirely and the city be governed by roving bands of semi-militarized men. First, the Minister of War or the Chief of Staff should send honest, qualified authorities to the Shanghai area, armed with sufficient authority to disband and disarm surplus troops in the area, including officers, and to remove the numerous officers who have no business here, who's legal stations are elsewhere but who maintain branch headquarters, bodyguards and mistresses here because they find Shanghai's well developed amusements attractive inducements for week-end or week-long vacations.

When this is done and the army cleared of rowdies and dilettant officers, most of the difficulty undoubtedly will disappear. Meanwhile, it might be worth while to station guards at motion picture theaters to prevent the recurrence of such incidents as marked the past week-end.

On the other side of the picture, something should be done for China's deserving soldiers who get precious little for serving their country. Increased efforts to hold special performances for them could be made. Perhaps one of the local theaters might be taken over for their use exclusively.

While it is impossible to dismiss lightly the serious implications these present theater incidents may hold or to fail to condemn the high-handed, extra-legal actions of the troops, we still are unable to do anything but sympathize with them. Certainly they are entitled to all that China can do for them and it is only because their recent disturbances may lead to further more violent actions likely to jeopardize the welfare of the local population as a whole that we feel that immediate and strong steps are needed.

## Apology To Subscribers

IT is with extreme regret that this week we again raise the price of the China Weekly Review. Because of the hardship to subscribers that these periodic price hikes entail, we feel that we owe our readers a bit of explanation.

Publishing in China today is anything but easy. Unlike a merchant who may raise or lower his prices daily, and who may replace his commodities each day from the local market, the Review must always lag behind the market by several weeks. When our business office tells us that advertising and subscription rates must be upped, we have to postpone action until our clients are informed of the impending raises, and new contracts signed.

Just as an indication of the prices of commodities which the Review is forced to purchase, we would like to quote a few open-market prices as of October, 1945, when we resumed publication and as of now. In October we bought newsprint at CNC\$4000 per ream; today we pay CNC\$20,000 per ream. In October our printing bill was one-sixth as much as it is today. Since October the salaries of our staff have nearly trebled. Meanwhile, the price of the Review has been raised from CNC\$40 to CNC\$150—an increase, we think not out of keeping with the increase of the prices we have had to pay.

In addition, we believe that today we are giving our readers a bit more for their money than we did in October. Since resuming publication, we have twice increased the size of the Review, until now it contains 24 pages, eight more than when we started. Today it is the largest English-Language Weekly published in China.

To our Outport readers, who have to pay the cost of mailing, we wish to make fuller explanation. Sometimes, when the postoffice is in a good humor, we can mail the Review in accordance with the regulations

governing publications—a practice common in all countries of the world which allows newspapers, magazines and other journals of public information a special mailing rate. At other times though, and they are frequent, the postoffice refuses to allow us this privilege, forcing us to seal the Review in an envelope and send by first class airmail. What this means to us is that when we mail by the former rate—a rate to which we are entitled by permission granted by the National Government of China—the postage from Shanghai to Chungking amounts to CNC\$14. When the other rate is applied, it costs us CNC\$90 to get each copy of the Review to Chungking.

We realize, of course, that these problems are our own and must be settled by ourselves. However, we do wish to explain to our faithful readers the reasons why today the Review costs so much. We can assure you that it is our desire to supply you your copies of the Review at the lowest possible cost and that we are doing our utmost to do so. However, since the Review today—and ever since its founding by Mr. J. B. Powell—is an independent journal receiving no support or subsidy, it must pay for itself. Today, naturally, it is not even doing that. What we try to do at present is merely keep the weekly deficit as low as possible, and we can assure you that when the time comes that our deficit disappears, or when prices fall, we most certainly shall reduce the cost to our readers as much as possible.

## Censorship In China

**F**REEDOM of the press and the lack of it in China again came to the fore last week when the Washington Post and the Chinese Embassy in Washington exchanged verbal blows over Chinese censorship and the banning from China of eight American correspondents.

In a second editorial within as many weeks, the Post again charged Chungking with short-sightedness in refusing to lift its ban on Edgar Snow and seven other correspondents who, the Post said, committed the crime of writing of Chinese developments as they saw them, instead of taking the Central Government's version. Pointing out that the American people are disinclined to believe "official" news, the Post said, "The inevitable assumption will be that we are not getting the truth out of China, but deliberate or unconscious propaganda."

The day following this editorial, the Chinese Embassy denied, through its counselor, Chen Chih-mai, the charges made by the Post and said that there was freedom of the press in "Free China." Conditions in the "Liberated Areas" were not mentioned. Chen said, "There is no censorship of either the native or foreign press in Free China and the government has no blacklist of newsmen. The Post's editorial is erroneous as to the supposed facts whereon it is based and as to its conclusion. Both Chinese and Foreign reporters are free to report whatever any group or faction says and there is no censorship on communicating it abroad."

Referring to the ban on the American journalists, Chen said that any refusal of entry to correspondents is made "entirely upon an individual basis." He further said that decisions as to which correspondents may be granted visas to visit China are reached in Chungking by the Ministry of Information and that the Washington Embassy has no authority in the matter.

The question of China's censorship, which admittedly has been eased considerably—at least in the case of foreign correspondents—in recent months, has been gaining in importance during the last few weeks, with continuous attacks upon the Central Government's attitude. As reported in the December 22, 1945, issue of the China Weekly Review, the American press, always sensitive to any threat to press freedom any-

where in the world, roundly condemned Chungking for barring Snow, associate editor of the Saturday Evening Post and former assistant editor of the Review. At that time the cry against Chinese censorship was led by Marshall Field's liberal Chicago Sun which said, "The American people will know how to judge Chungking for trying to ring down the curtain against truth."

While the controversy raged in America, The Communist New China News Agency took full political advantage of the situation by addressing a message of sympathy from Yen-an on December 20 to Edgar Snow, Brooks Atkinson, Leland Stowe, Vincent Sheehan, Richard Watts and Mark Gayn.

The message read:

"We feel deep regret and indignation against the Kuomintang Government for banning you from China. You are world famous correspondents who uphold justice and have made invaluable contributions to the democratic cause and the war against Japan in China. But just when victory was gained you have been unexpectedly banned from China. That only corroborates comments by the American press that Kuomintang politics cannot withstand the light of day. This only shows how far Kuomintang-controlled areas are from enjoying the four freedoms advocated by President Roosevelt. But such conditions cannot last long, for they are against the present world-wide trend. Through our common endeavors, there will dawn a day when we will crash through all obstructions towards realization of freedom of speech and freedom to report in China."

Naturally everyone, except the would-be despot, sincerely desires world-wide freedom of speech and of the press. The arguments in behalf of these essential freedoms are so well known and so indisputable in their logic that there is no point in rushing to their defense at this point; rather, let us examine the situation on the basis of practicability.

Since the Kuomintang has greatly relaxed its former oppressive censorship so that today correspondents may cable almost anything they wish from China, why not go the whole way? A complete removal of censorship would do much toward raising the world's opinion of the Chungking regime and certainly would remove much of the doubt concerning the good faith of Chungking protestations of desiring a democratic China. Plainly there can be no real democracy without a free press, unless, of course, one has in mind a special version of democracy; a brand, perhaps, on the order of the model set up by Mr. Stalin who claims that Russia has more democracy than either Britain or America because the Russians have more economic equality than the Western peoples and who apparently dismisses the intellectual slavery of the Russian people as unimportant as long as their stomachs are full.

The Kuomintang has everything to gain by allowing free speech and free press and also has a great





deal to lose by continuing to impose censorship, even of the mildest form. It is an ugly word to Western ears and the peoples of Britain and America will never be fully satisfied until all such indefensible personal controls are removed.

The American Government has committed itself to a world-wide campaign for press freedom. Former Secretary of State Edward Stettinius promised the American Society of Newspaper Editors on June 16, 1945 that "the United States will urge that the United Nations should promptly study means of promoting freedom of the press, freedom of communications and a fuller flow of knowledge and of information between all people." In compliance with this pledge, the American delegation to the United Nations Organization Assembly just last week was instructed by the State Department to urge an immediate international study aimed at promoting freedom of the press.

Aside from the fact that until China abolishes censorship in its entirety she will continue to be suspect by her two Allies—Britain and America—from whom she expects to obtain most of her post-war aid and aside from the fact that it is impossible to withhold the truth from either the Chinese people or the world, the Central Government has already agreed to the abolition of censorship. The longer such abolition is delayed, the less stock the rest of the world and the Chinese people put in statements from Chungking.

On March 27, 1945, a three man committee representing the American Society of Newspaper Editors, who were touring the world in the interests of world-wide press freedom, arrived in China. Their platform, as explained to government leaders in Chungking, was to obtain "a pledge of governments not to censor news at the source; not to use the press as an instrument of national policy, and to permit a free flow of news in and out of signatory countries."

Wilbur Forrest, assistant editor of the New York Herald Tribune, chairman of the group, recorded in his diary his conversations with government leaders of all countries visited. This diary he submitted to the ASNE upon his return.

A few excerpts are interesting because they show definite pledges from various high government functionaries that censorship would be abolished with the end of the war.

Dr. Wang Shih-chieh, (then) minister of Information....."gave us a forthright pledge of co-operation, declared censorship was not compatible with democracy."

T. T. Hsiao, president of the National Press Association....."said his association had already pledged itself to support our resolution and the ideas of ASNE on a free press."

Gen. Wu Teh-chen, secretary general of Kuomintang...."assured us of his support, in the Society's aims, and pledged us that China would abolish censorship with the end of the war."

T. V. Soong, foreign minister...."said he would abolish it (censorship) when the war ended, if he still were in the government. He said we might quote him on unqualified support of the ASNE aims."

Generalissimo Chiang Kai-shek...."China, he pledged, would abolish censorship when the war ended and he would, he said, support with all his power the ASNE plan for a pledge by nations in treaties that would permit a free flow of information between nations."

The war is well over and it is now time for Chungking to live up to its pledges. It may be argued, of course, that the present unsettled conditions prevent these pledges from being carried out. However, censorship, even of the mildest form, does nothing but arouse suspicion abroad and give credence to those detractors of China—detractors who would lose one of their best anti-Kuomintang arguments if censorship no longer existed. Further, censorship never succeeds in accomplishing the purpose for which it is designed: the suppression of unfavorable news. Witness the stories now appearing in the American papers about China.

On the other hand, Chungking, by removing all forms of censorship, both for native and foreign journalists, would raise the opinion of China now held abroad. In short, by immediate and absolute abolition of censorship, Chungking stands to gain everything and lose nothing.

The China Weekly Review January 5, 1946

## Refugee Problem

THE question of what to do with Shanghai's Jewish Refugee population continued to be hotly debated in the local press this last week with the whole matter still in a state of absolute confusion at the week-end.

The matter has become so be-fogged by restatements of intent from Chungking and by the flood of interpretations and condemnations pouring forth in Shanghai's English-language publications that it is a bit difficult to clear away the superfluous wordage and get down to the basis of the matter.

Regardless of technicalities, a few things do seem to stand out clearly. The Chinese Government, exercising its indisputable right as a sovereign nation, plans to set up some standard for determining which among China's foreign residents shall be permitted to remain. This policy is perfectly in accordance with international practice. However, it does seem unfortunate that among the first of such regulations promulgated should be one applying to Shanghai's refugee Jewish population. Coming so soon after a war in which the Jewish question loomed large, it naturally arouses all those who have been defending the hapless Jews these many years.

No one can object—upon legalistic grounds—if China decides that she wants to deport all Jews now resident in the country. Nor could one object if China then decided to deport all Russians, Britains, Americans and, finally, all foreigners. This is her perfect legal right. However, much can be said against such a policy from a moral or humanitarian point of view. It seems just a little harsh of Chungking to think of snipping the local refugees back to bombed out Europe where there is neither food nor shelter for them.

Probably the most puzzling thing about the whole matter is what is the *real* reason behind the proclamation? Why is the government in such a hurry to settle this matter? With a civil war on its hands, puppets and collaborator un-tried and the country's economy in a complete state of exhaustion and confusion, why does Chungking now take time out to tackle the Jewish "problem." It seems only logical that the "problem" of 90,000,000 communists in the north is of far greater urgency than the "problem" of 15,000 Jews in Shanghai.

Is it that this is Chungking's way of serving notice upon the foreign nations that China is master in her own house and intends to regulate foreign populations within her borders? Or could it be that it has an economic basis, that some of the Johnny-come-latelys from the interior, seeing no rich loot easily available such as greeted the first arrivals, who were at liberty to confiscate from the Japs, puppets and Nazis at will, have thought up an idea to turn a quick profit?

Regardless of the legal and moral questions involved and regardless of possible manifestations of nationalism or desires for economic enrichment, the whole thing seems to us to be of a rather minor nature and certainly not of sufficient importance to bring forth such a heated controversy.

As we stated in our editorial columns on November 10, 1945, it does not seem very charitable for a nation of 400,000,000 people—people who have been among the worst sufferers from discrimination and oppression—to be carping about the presence of some 15,000 Jews in one of their cities.

Further, it is in rather bad taste for China to be issuing proclamations concerning minorities within her borders at the very same time that, with the other hand, she is dispatching notes of protest to virtually all the other nations of Asia over mistreatment of Chinese nationals residing in their lands.

Even now Paul V. McNutt, American high commissioner to the Philippines, is in China discussing the problem of Overseas Chinese in the Philippines.

We would suggest that it would be best all around if the matter of Shanghai's Jews was allowed to rest for the time being. There are other more pressing problems to be handled. Later, when conditions in China and the rest of the world have quieted down and returned to a more normal state, the question not only of Shanghai's Jewish population, but of China's entire foreign population, can be settled. When the days of racial persecution are further past and more nearly forgotten, China can then exercise her well-recognized legal right of setting up a standard to which all foreigners desiring to live in China must adhere.



# Chinese Democratic League Works For Unity And Peace

By C. Y. W. MENG

**P**RESIDENT Truman, in his recent clarification of United States policy toward China, not only expressed the views of the American people, but also of the majority of the Chinese people. It is interesting to note that the American president advocated the very things the Chinese people have been demanding through a small and progressive third party: The Chinese Democratic League.

Truman said a broadening of the Chungking Government to include all other political parties was necessary, that the Kuomintang and the Communists must stop the fratricidal war immediately, that the existence of autonomous armies within a state is illegal and that all political parties should jointly convene a national assembly at the earliest date. These very same recommendations were the major portion of the League's platform which was made public last October when the party held its provisional congress in Chungking.

Following the resumption of the civil war in earnest, the League won more adherents because of the middle course it has followed. It advocates the adoption of a coordinated economic system between planned economy and free economy.

The League was formed early in 1940, shortly after the New Fourth Army Incident when another civil war seemed imminent. At this time a few patriots in China gathered and formed what was known as the "Association of Comrades for National Unification and Reconstruction." The purpose of the association was to gather all patriots of all walks of life in the country to discuss national problems and to exchange opinions and information with a view to attaining national unity and expediting the early realization of democracy in China.

The Association later was reorganized into the League of Democratic and Political Organizations. In March, 1941, with the admission of three more parties, the Association was again reorganized into the present Chinese Democratic League. The League now is composed of most of the minor parties in the country and includes individuals without any party affiliation. Since this reorganization, the League has claimed to be the largest "democratic bloc" in China. Its head office is in Chungking, with branch offices already established in Changchun, Peiping, Shanghai, Kweilin, Sian, Hankow, Canton, Hongkong, San Francisco and Singapore.

## League Personnel

A close check reveals that nearly all League committee heads are now near, or already over, the 50-year mark. However, all are regarded as the progressive and sober leaders in the Chinese intellectual realm. Some of them were among

the League issues manifestoes, proclaiming its views on the question the "seven arrested" who were arrested and imprisoned in Soochow in the pre-war days because of their "patriotic activities." Others are leaders in their respective fields.

The League president, Chang Lan, is a distinguished scholar now 73-year-old. In 1911 he took part in the revolution against the Manchus. He was once civil governor of Szechwan, president of Chengtu University and in 1938 he was appointed a member of the People's Political Council. He is not a member of any political party, but he twice has been elected president of the League because of his personal integrity and progressiveness. He does not hold any government post, nor is he an industrial or financial magnate. Yet, he is one of the most respected and venerable intellectual leaders in China.

At its October congress in Chungking, the 54 representatives attending issued a lengthy *Political Report* which offers answers to three of the most knotty and controversial problems in China to which the Kuomintang and the Kungchantang have not been able to reach an accord. They are: the function of the Political Consultation Council, the formation of a coalition government and the convocation of the National Assembly.

At the outset, the League says, the Political Consultation Council must produce a coalition government and bring to an end the "one party rule." The Council must be able to work out some concrete settlement to many of the existing national problems. "But settlement of any problem must have the interests of the people at heart."

"It is the conviction of the League that the formation of one coalition government is the *only* path for achieving internal peace, solidarity and unification in China. Only one coalition government, wholeheartedly supported by the people, could hold their confidence and could enforce the plan for disbanding troops and nationalizing of armies." The League advises the Central Government not to talk too much about the high sounding doctrine of "unification of political and military order" at the expense of internal peace, solidarity and unification of the nation.

"The National Assembly must be truly representative of the people, the League continues in its report. "It cannot be under the manipulation of any party or clique." Therefore, the League insists that it must be composed of representatives selected in a general election."

It is very clear that there is much opposition to the provisions in the old Election Law which provided that the members of the Central Executive and Supervisory Committees of the Kuomintang act as *ex officio* representatives of the National Assembly. By this sti-

pulation, these committee members will make up more than one-fifth of the total representatives. It is equally clear that nothing short of a new general election of the representatives will satisfy the Chinese people.

## 49 Points

The congress also decided upon a 49-point platform, which is probably the most explicit and practical platform ever offered in China. It is far more concise and clearly defined than that issued by the Kuomintang after its Sixth Congress in May and that issued by the Kungchantang after its Seventh Congress in July.

This platform makes it sufficiently clear that the League proposes to inaugurate not only *political* but also *economic* democracy in China to attain the equalization of national wealth, abolition of poor and rich classes, elevation of the standard of living and bring about "Freedom from Want."

Both private and public ownership of property are definitely recognized, while planned production and distribution by the state are also advocated in order to bring about a more systematic economic development of the country. The nationalization of banks, communications, mines, forest land and public utilities, with taxation "according to one's ability to pay," are suggested. It is thus clear that what the League proposes for China is principally a "mixed economy," a middle course between capitalism and socialism.

In line with President Truman's statement, but contrary to both Kuomintang and Kungchantang concepts, is the idea that military power and armies belong to the state. The League feels that there should be no party organization within the army and that no military officer on active duty should hold a civil office. On the other hand, the League believes that the people should be subject to military service and training.

## Foreign Policy

The foreign policy plank in the League platform advocates protection of national territory and sovereign rights and active participation in an international organization to maintain world peace. However, the League's reports further says:

"We must adopt an independent and active foreign policy while doing what we can to remove the friction between the United States and the Soviet Union and to promote friendly relations between the two countries."

To many an observer in China, this represents a far more popular—and certainly more correct—approach to the situation than the current policy. This view is in direct opposition to the view held by those who welcomed the arrival of the American Marines in North China. On the day of the first Marine landings at Tientsin and Peiping, one spokesman of the League, after expressing strong disapproval, predicted accurately the resultant complication of China's internal political situation.

## League Manifestoes

Whenever the political situation in China is deteriorating, or the



time otherwise seems opportune, the League issues manifestoes, proclaiming its views on the question, or problem of the moment. So far all such manifestoes have been received favorably by the public.

While the KMT and the KCT continue fighting, the League, in addition to issuing manifestoes, offers its services as mediator and does all it can to bring an end to hostilities. Four prominent League members are presently meeting with the Kuomintang and Communist representatives in an effort to help pave the way for compromise. Chang Pei-chun and Liang Sou-mien are holding discussions with Kuomintang representatives, while Lo Lung-chi and Chang Tung-sun are discussing matters with the Communists.

The League has advanced four proposals for stopping the civil war.

- 1) The Central Government must call the Political Consultation Council immediately.

- 2) Pending the convocation of the Council, the Kuomintang and the Kungchintang should immediately order their armies to stop moving and fighting.

- 3) The Council should organize an inspection group of non-party men to go on a tour of the war areas to settle the dispute on the spot and to report the true situation to the nation.

- 4) The Council shall decide the problems of disbandment of troops and the nationalization of armies and other local administrative problems in accordance with the wishes of the people and the interests of the nation.

It now remains to be seen whether the leaders of the two major parties will choose to fight it out at the expense of the nation or abide by the wishes of the people. To give "lip service" to democracy will not help settle the present critical situation. It is the deed that counts.

Lastly, what concerns Chinese observers most, is American policy in China. "What next" has been a frequent question since the Marines landed in the north. Now that Truman has enunciated American policy as regards China, the people hope the dispute can be settled quickly.

It would be well worth General Marshall's time if he would consult more with the non-partisan Chinese, rather than with Kuomintang and Kungchintang members, and study more the sentiment of the Chinese people, rather than listening only to official reports.

There is no doubt about the sincerity of the former American ambassador and General Wedemeyer and their efforts in working for a unified China. For these good intentions the Chinese people are grateful. However, a unified China can be built only on the wishes of the Chinese people which are well expressed by the platform of the Chinese Democratic League.

# Conflict Between Russia, America Highly Unlikely

By JOHN AHLERS

CORRESPONDENTS and editors of numerous news agencies and newspapers have so much fallen in with a convenient trend of public opinion that they report, and comment upon, current events ever more as mere incidents in a supposed conflict between the two major powers emerging from World War II. Some see such a conflict merely threatening; others see it materializing; a third opinionated group sees it widening; and the most irresponsible commentators speak of a line-up in preparation for World War III. These different groups of observers have this in common that they see the state of international affairs in a large part of the world as reflection of a controversy between the United States of America and the Union of Socialist Soviet Republics. The reading public, much impressed and little inclined to independent thought, begins to take for granted militant antagonism between the USA and the USSR, and to believe within the possibilities a sharpening of their alleged rivalry and even eventual war between them.

Look at the newspapers and listen to the common talk of politically interested people. What do you read or hear about the Far East but that the USSR hesitates to evacuate Chinese territory and that American troops will stay here longer than originally planned? That the Russians want a voice in the administration of American-occupied Japan and South Korea but refuse Allied capitalist interests access to Manchuria? That Moscow is backing Yen-an while Washington stands behind Chungking? That the US Marines drive the Chinese Communists out of the coastal regions but that the Red Army opens the flood gates of Inner Mongolia allowing the Communists to overrun the North? And so on, and so on....

People of still wider geographical knowledge point to other parts of the world: are there not numerous parallels elsewhere? Is not the USSR threatening Turkey with amputation while the USA defends Ankara? Is not a revolutionary movement in Russian-occupied parts of Persia trying to blow up the Teheran Government which is convenient to Washington and London? Does not Moscow rejoice at the troubles of England in Palestine and India, and of the Dutch in Java? And in Europe: is there not Russo-American antagonism in the Balkans, in the Danube Basin, in Germany, and even in Scandinavia and the Baltic?

Undoubtedly there is something to all these reports and all this comment, but there also is a great deal of jumping to hasty conclusions. Ninety-nine percent of the events which give rise to the above reports and comments do not really result from Russo-American

antagonism. To consider such supposed antagonism as the fundamental historic trend which at the same time manifests itself in current events and serves to explain them is very facile. But politics are not truly understood this way; history works the other way round.

What really happened and is happening is that the sudden end of, and the complete Allied victory in, World War II has temporarily upset the balance of international politics. Of two groups of powers which for years kept each other gripped by their throats, each desperately trying to strangle and overthrow the other group, has disappeared, and two powers—the USA and the USSR—suddenly stand face to face mightier than anybody else, flushed with victory and with their hands free. Both have thousands of interests all over the world, and they are the only powers, which remain strong enough to oppose the other power. Many of their foreign interests automatically rub each other and proper adjustment of their claims and counterclaims is not easy. Such adjustment is complicated by attempts of numerous third and weaker states to find protection with the one against the other.

Similar features characterized the international situation after World War I. All over Europe, French and British interests were then seen in opposition. So were British and American interests in the other continents. The most popular antagonism of the 1920's was that of all the capitalist powers against Russia. Yet none of these antagonisms lasted; none led to war. World War II saw the USA, USSR, Britain and France united and fighting a group of powers which was not thought of in the 1920's.

Russo-American antagonism of the moment, or rather the incidents which to so many seem to indicate its presence, are born from the sudden end of World War II. Unless there is something much more fundamental to such antagonism than the temporary situation of 1945, it will not last, or not even arise. The history of 1919-39 has shown that capitalist and Communist countries can peacefully live together. The war of 1939-45 has shown that capitalist and Communist countries can be faithful and effective allies of each other. In modern world economy and politics, capitalist and Communist states are not necessarily exclusive of each other but may even be commensurate of each other. It needs all kinds.

There is nothing in Russian and American interests in China either which would predetermine the necessity of a clash. Both the USSR and the USA were vitally interested in preventing Japan from maintaining in the Yellow Sea region a base of aggression



supporting expansionist ventures in the directions of both, the interior of the Asiatic Continent and the depth of the Pacific Ocean. But now that the Japanese are defeated, the USA and the USSR are vitally interested merely in eradicating what remains in this area of the former Japanese hold. They are interested in disarming, evacuating and punishing the Japanese. They are not interested, either of them, in securing control of this area.

Neither the mineral deposits nor the surface soil of Manchuria, Korea, and North China proper are needed or wanted by the USSR to complement the economic resources of Siberia. The foreign economic interest of the USSR is chiefly an import interest, and the Yellow Sea region has nothing important to contribute to the Communist state's import requirements. A more Southernly, ice-free port than Vladivostok is a traditional Russian desire which has been granted by China in the recent treaty allowing for a Russian free port in Dairen.

The USA has a general moderate import-export interest in the Yellow Sea region, expressed in a traditional policy aiming at a trade status not worse than that of any other outside country. This aim is perfectly commensurate with the Russian aim. There is nothing in the economic aims in North China of either the USA or the USSR which should lead to a clash. Rather, the absence of economic rivalry here between these two great powers should make it easier for them to compromise political rivalry.

Let us all pause and think things over. It will not do to make the supposed Russo-American antagonism the philosophers' stone with which to classify and explain current events. Let us beware of facile slogans. History does not teach at all that the two greatest powers normally tend to fight each other; if anything, it rather teaches that the big ones unite against the small ones. Just think of the possibility of a world-wide USA-USSR understanding: what surprising vistas open up? And where would be, in such a case, all those who bet on Russo-American conflict as the supposed corner stone of post-war international politics?

Carrying 62 tons of Chinese currency for the Central Bank of China, an American ship, the U. S. S. Crosley, APD-87 arrived in Tsingtao this week. The valuable cargo made it possible for the Tsingtao Branch of the Central Bank to reopen after a long period of inactivity stretching over the time of Sino-Japanese hostilities.

According to an announcement released by the Shanghai Direct Tax Bureau, seven taxes are payable as from January 1, 1946 in Shanghai. The taxes are: Income Tax, Excess Profit Tax, Death Dues, Property Lease Tax, Property Sale Tax, Land Tax, and Transfer Deed Tax.

Forecasting a winter of industrial war in the United States possibly involving all American industries, representatives of the United Automobile Workers Union declared last week that the General Motors' refusal to negotiate on increases based on ability to pay might be considered a bad omen.

## Communists Handle Marine Fliers Gently But Firmly

By SGT. WAYNE F. YOUNG, USMC

THESE are the adventures of three Marine Corps airmen whose planes crashed in Communist-held North China and of the rescue party of five officers who rode 20 miles into Communist territory to arrange for the return of the downed airmen.

Their story begins on December 8, when Marine Lieutenant Robert E. Blount, 21, of Independence, Kas., was flying his Helldiver from Tientsin to Tsingtao in a Pearl Harbor Day anniversary flight.

About 20 miles north of the Shantung Province city of Pingtu the flight of six planes encountered a blinding snowstorm and Blount was forced to bail out. He landed on a snow-capped mountain in west central Shantung, four hours walking distance from the nearest village.

Walking in unannounced upon this remote village caused a flurry of excitement because the villagers could not understand by what locomotion this American could have arrived. And no one spoke English.

Blount explained by gestures that he arrived in a plane which went down in the mountains—up there. This the villagers confirmed by making trips to the scene of the crash.

Here the flier was housed in a typical North China cement hut with rolled dirt floor and put under the close surveillance of 10 armed guards. The troops here were village troops not affiliated with the regular Communist army.

The villagers were friendly and Blount got the impression from their facial expressions and other actions either that all were not in total sympathy with the local government or that they did not approve of the officials' handling of this stranger's case.

The pilot stretched out his parachute on a mound in the village to attract the attention of the Marine search planes which he knew would be flying over soon. But the guards promptly dragged it inside.

When the search planes did come over the guards hustled their charge inside his hut, gently but firmly.

The villagers began bringing in parts and accessories of the pilot's plane, probably thinking that he would want to take along as much as possible. Blount introduced them to the aviators' rubber life raft. When the American was removed to the next village on the fourth day, villagers insisted upon walking alongside Blount's horse carrying his plane parts.

It was in this next village that Blount first saw a Communist insignia, a Red Star hung above the door at the local government building. But here too the army was a civilian force recruited from the village area.

After a day's stay Blount went on to Pingtu, chief city of the district, riding seven different donkeys during the trip. At Pingtu he encountered the regular Communist army and saw his first indication of real military activity.

"You are not a prisoner," was the assurance he received from the Communist commander immediately upon being ushered into the official's office.

A three-hour interrogation ensued, spiced with the names of such current luminaries as Patrick J. Hurley, General Joseph Stilwell and General George Marshall.

The Communist officials expressed interest in Blount's opinions on Nationalist-Communist and American-Chinese relations. It seemed to the flier that the purpose of the questioning was to elicit his frank opinions, not to grill him as to his ideological position.

He still was refused permission to display his parachute and still was guarded. During the first couple of days in Pingtu he was brought back to his hut when he strayed too far afield, but later the guards made their presence less oppressive.

Shortly after Blount's arrival the only other known survivor of the six-plane crash was brought to his hut and the two lived together for the next four days. The other pilot had suffered a deep cut below his kneecap and this, together with pulled leg muscles, made walking difficult for him.

Most of the meals served to the fliers consisted of brown rice and a type of grass eaten by the city's populace. Pork and other meat was served on several occasions.

After a four-day stay, Blount was moved to Lai Yang for a rendezvous with two other downed Marine airmen being delivered to the Marine air base near Tsingtao by Communist Eighth Route Army representatives. The Pingtu Communists would not permit the injured flier to accompany Blount, declaring that they felt themselves to be responsible for the injured man's welfare. They promised that he could leave as soon as his leg healed sufficiently.

The trip from Pingtu to Lai Yang was made in a 1938 Dodge with left-wheel drive, which Blount said he thought had been taken from the Japanese.

The two Marine airmen Blount was to meet at Lai Yang were Lieutenant Wesley Sizoo, 24, of Chicago, Ill., and Sergeant Norbert J. Krolicki, 23, of Detroit, Mich., pilot and mechanic.

Their plane had crash-landed on a dirt road one mile outside Peng Lai on December 11 after they became lost on a flight from Okinawa to Tsingtao. Peng Lai is on the northern rim of Shantung Peninsula.

Within a few minutes after Sizoo's plane careered into a ditch that ran alongside the road, at least 200 Eighth Route Army soldiers approached to within 15 yards of the plane and took up position with rifles leveled.

The pilot tried to communicate to the soldiers by gestures that their arms were unnecessary but they remained in position, not belligerent but watchful. When he made no progress with gestures, Sizoo adopted a policy of ignoring his hosts and turned about to continue examining his plane and gathering personal effects.

The soldiers remained watchful until the airmen completed their examination, then took them to an Eighth Route Army headquarters building in Peng Lai.

"Don't be afraid. We are your friends. No harm will come to you," the airmen were assured immediately through a civilian school teacher who spoke halting English. Amid apologies and explanations, Lieutenant Sizoo was asked to surrender his pistol.

Then began a two-hour question-and-answer period. What do you think of the Eighth Route Army? What will be General Marshall's policy on the Nationalist-Communist problem?

On their part, the Communists referred to General Stilwell with great respect and to General Hurley with equal disfavor.

The officials declared that they were not actually Communists in the political sense, that they stood for peace, freedom and democracy.

Following the conference, and scarcely more than two hours after the airmen had left their damaged plane, Sizoo and Krolicki returned to the scene of the crash. They found their plane expertly



camouflaged with straw matting bound and sewn over all its parts. Corn stalks had been placed over the matting.

The airmen were told that trouble might develop if Nationalist fliers should spot a plane with American markings in that area.

The two Americans were told that they could start toward their base in Tsingtao early the next morning, but the Communist Army officials reckoned without the consent of the mayor who insisted upon giving a banquet for the airmen Wednesday noon.

It was mid-afternoon before the impatient Sizoo and Krolicki could get under way in the 1937 Ford provided by the the Eighth Route Army. Accompanying the Americans, besides their driver, were the schoolteacher-interpreter and a guide, both of whom were under orders from the Communist general to remain with the airmen throughout their trip to Tsingtao.

The trip was without incident until the car broke down at 3:00 a.m. the next day about four miles from the party's immediate destination, an Eighth Route Army general's home in Lai Yang. The last leg of the journey was completed on foot.

Arriving early Thursday morning, the airmen waited until late that afternoon for an audience with the Communist General.

"Don't be afraid. No arm will come to you," the Communist general said at the outset of his talk with the Americans.

Following this conference, Sizoo asked for and received permission to typewrite a letter to Tsingtao to arrange a meeting inside Communist territory with officers from Marine units based there.

Sizoo composed his letter with the schoolteacher-interpreter looking over his shoulder and was supplied with suggestions by the Communist general.

The letter finished, Sizoo and Krolicki were shown the cement hut where they were to stay and were promised that they could leave for Tsingtao on Saturday. In the hut were beds of cement covered with straw matting, underneath which were built-in fireplaces.

There were many apologies because no cooks were available who understood how to prepare American-style food. Krolicki stepped into the breach by supervising the cooking of chicken and several other dishes.

Lieutenant Blount arrived from Lai Yang on the next day, Friday, and that night the Communist general gave a banquet for the three Americans.

The airmen were told that the guests at the banquet included two delegates from each of the Communist-controlled provinces in North China. There were seats for 30.

At the beginning of the banquet, the three airmen were given seats of honor together at the center of the table, but after the meal was consumed they were asked to disperse so that more of the guests could converse with them.

A troupe of singers entertained, then a harmonica player. Throughout the evening the custom of Kan Pei (bottoms-up in America) was observed with glasses of brandy. Chefoo and other cities in Communist-dominated territory are the brandy headquarters of China.

In their conversations with the Americans the Chinese did not refer to themselves as Communists, but as members of the Eighth Route Army.

Later came banquet speeches by several of the Chinese, after which Sizoo was called upon for a talk. Then, as the result of a jest by Krolicki that Sizoo was a better singer than speaker, the pilot was persuaded to sing. He was joined by the other two airmen in renditions of "The Marine Corps Hymn," "Anchors Aweigh," and "The Caissons." "We did the Corps credit in the Kan Pei game too," Sizoo said.

Before the Americans left, the Communist general presented them with 12 quarts of brandy, some cookies and toothbrushes. These gifts were carried along by several Chinese on their backs as the three airmen rode away the next morning to the point of rendezvous with the Marine rescue team.

It was a 35-mile trip to the next Communist army headquarters at Wo-Chia-Chuang. By noon the party—including Mr. Fan, the schoolteacher interpreter, and Mr. Kao, the guide—had made 25 miles in their 1937 Pontiac, but by then the roads became impassable and the last 10 miles had to be negotiated on Mongolian ponies.

Ditches four to five feet wide and two to six feet deep were cut across the roads 20 to 100 yards apart. In addition, the roads were said to be mined. The day's trip, ended at 10:00 p.m.

Upon their arrival Sizoo wrote a second letter to the Marine rescue team designating a rendezvous point north of Chi-Mo and a messenger was dispatched with a message that the three airmen would be delivered to the rescue team at 2:00 p.m.

It was Sunday noon when the Americans were taken before the Communist general at this headquarters.

"We have good news for you," the general said upon greeting them. "The Americans are seven miles away."

Then another banquet, this time with songs by a group of Women Home Guards in uniform and renditions by musicians playing lutes, a mandolin and violin.

"See how well they play together," said the general of the string ensemble. "That is a symbol of the harmony that exists between our two peoples. The lutes and mandolin represent instruments symbolic of our culture and the violin is a modern instrument symbolic of America."

As a photographer began taking pictures, three with the general shaking hands with each of the airmen among others, the Americans expressed their impatience to get started for the rendezvous point. But the interpreter restrained them with the explanation that to hurry away from the banquet would be considered not friendly.

"The Chinese would be insulted," Mr. Fan said.

Shortly thereafter a telephone call was received from Marine Lieutenant Colonel Thomas E. Williams of Denver, Colo., Sixth Marine Division intelligence officer and head of the five-man rescue party. Colonel Williams said his party was 17 miles north of Chi-mo and asked that the airmen be brought there immediately. The Communist general agreed to have them there by 2:30 p.m.

The five-man Marine rescue party had left Sixth Marine Division headquarters in Tsingtao by jeep Saturday afternoon for Chi-mo, furthest perimeter of Nationalist-controlled territory north of Tsingtao.

Met at Chi-Mo by Chinese Nationalist General Chao Pao Kuan, members of the party were entertained at his headquarters that night.

Then at 7:00 a.m. Sunday the five officers set out on horses into Communist territory with Mongolian ponies in tow for the airmen. The messenger who brought Sizoo's second letter acted as a guide for the party.

Single shots were fired at the rescue team on three occasions during the journey to Ling-Shan. Source of the fire was unknown, but apparently the last shot was fired to attract attention because as soon as it was fired a smoke signal arose from a field to the west of the road.

A platoon of men rose up in the field, their concealment so exceptional that they could not have been detected from a distance of 200 yards. Their camouflage was obtained from their greenish-

yellow uniforms, which blended perfectly with the earth.

The Communist guide asked the party to wait while he contacted the soldiers in the field. He returned in 15 minutes with the information that the fliers were in a village four miles back.

The Communist platoon formed an escort for the five officers on the way to the village. The soldiers were young and hardy, Colonel Williams said. They marched alongside the horses at a pace of three to four miles an hour, apparently without effort.

They carried Japanese-type .38 rifles that were in excellent condition. Each was also equipped with five Chinese-made hand grenades, a bayonet and 20 rounds of ammunition.

At the village, the rescue party was met by an Eighth Route Army platoon drawn up for inspection by the Americans. The party was gratified somewhat at being so received, but disappointed to learn that they would be forced to retrace their steps and continue on to Ling-Shan in their quest of the downed airmen.

At Ling-Shan, Communist officials said they thought the American airmen were at the village of Chuang-Shang, three miles beyond.

Colonel Williams observed that the villages through which the party was passing seemed deserted, with only children and elderly villagers on the streets. There were no shops. Looking more closely the colonel saw villagers peering at the Americans from doors and windows.

At Chuang-Shang, the Eighth Route Army brigade commander said that "Big feed—big talk" was going on 15 li up the road at Wo-Chia-Chuang.

It was here that Colonel Williams telephoned to the next Eighth Route Army headquarters asking that the airmen be delivered to the rescue party immediately.

While waiting for deliverance of the airmen Colonel Williams conveyed a message to the brigade commander from the United States UNRRA representative in Tsingtao. The UNRRA official wanted to know under what conditions this organization could deliver food, clothing and medical supplies to the North China Communists.

The brigade commander was not familiar with the UNRRA, and it was necessary for Colonel Williams to explain the organization's work. Following this explanation the Communist declared that the North China Communists needed no such aid, that they were able to care for themselves.

During this conference, Captain Hubbard observed a GI touch in the brigade commander's office—two pictures of Japanese pin-up girls.

When at last the airmen were brought to the village Colonel Williams offered FRB \$2,000,000—the equivalent of US \$500 to the brigade commander as a reward for safe deliverance of the Americans.

At first the brigade commander refused to accept the reward, stating that he was ordered by higher authority not to do so. When Colonel Williams insisted that the reward had been promised in leaflets dropped by planes over areas where the airmen were thought to be down, the official accepted the money, but with hesitation. He added, however, that he was not certain he would be permitted to keep it. He would check with the higher authorities.

As the rescue party and downed airmen prepared to leave the village for Tsingtao the entire Eighth Route Army garrison paraded in their honor, with the Americans conducting a review of the troops in company with Communist officers. Cheers of "Long live America; long live China" were given by the Chinese troops. Then the entire party left on horseback for Chi-Mo.

Because of the hospitalities extended by Eighth Route Army officials the party was overdue in returning to Chi-Mo, where Colonel Williams had left word with the Chinese general to contact Sixth Marine Division headquarters in the event that the rescue party had not returned by 3:00 p.m. Sunday.

As the party was proceeding toward Chi-Mo at 5:15 p.m., with a 100-man Communist escort to the front and another 100-man escort in the rear, a sentry brought back word that an estimated 1000 Chinese Nationalist troops were at Chi-Peh-Kuan prepared to fight.

Immediately the Eighth Route Army troops deployed in a skirmish line with two platoons abreast and one in reserve. Machine guns, so placed as to command excellent fields of fire, covered the flanks. Outpost and flank guards moved out immediately. Colonel Williams observed that all the troops moved to their posts without orders.

To forestall hostilities, Colonel Williams and Captain Hubbard set out on horseback for the village to tell the Nationalists not to open fire. The officers found that the Nationalists troops had been withdrawn just before they arrived at the village. A request that they pull out had been received a short time before from Sixth Marine Division headquarters.

When the party arrived at the walled city—it was dark now and bitterly cold—it was found that the person entrusted with the key to the city gate had lost it.

Because they were traveling through a No Man's Land, the Americans lustily sang as they approached the city gate. But they had not sung loudly enough to arouse the entry, for a half hour was required to get word to him that the party could not enter the gate.

Once inside the city walls, however, the major work of the rescue mission was completed. All that remained now was the jeep ride to Tsingtao—but still in bitterly cold weather.

## Reading Luce In China

By RICHARD WATTS, JR.

(Reprinted from the New Republic, Dec. 3, 1945)

IN the long and seemingly futile months of sitting out the war in Chungking in 1943-4, Mr. Luce's distinguished publications became of increasing importance to an American trying to keep in touch with news from the great outside world. In Dublin in the preceding year, they were of value, too, but in the neutral capital of Eire the need for them did not appear so great, since it was possible to find out a good deal of what they had to say by listening to the German radio broadcasts, which quoted from them with great regularity. In China we did hear their text as sent out by Domei, but by this time the pony airmail edition of *Time* and, to a lesser extent, *Life*, reached us so quickly that we didn't have to depend on enemy quotations.

As a staff member of the Chungking branch of the Office of War Information I was in the fortunate position of receiving almost everything in the way of printed material from America that managed to find its way into China. Thus I was in a better position than the average American in beleaguered China to keep in touch with what was going on in a distant world that frequently seemed to have forgotten us; but it was not enough. To a lifelong newspaperman the

absence of American newspapers was a particular handicap. And to make up for what was genuinely a void, there was *Time*, bright and brisk and skillful, reaching us only a week after publication date. With its excellent staff, its editorial dexterity and its general liveliness, *Time* seemed just the publication to provide us with the sort of details we wanted about stateside existence. Even the old stylistic mannerisms didn't seem as infuriating as they used to be.

It wasn't long, though, before the spell began to wear off a bit. It wasn't that the prose style grew annoying again or that the magazine became boring or, to be frank about it, that we ever ceased to dash for the copies of either *Time* or *Life* the moment they arrived. It was merely that, from our distant mountain fastness, we were detached enough to note very soon something that certainly shouldn't have surprised anyone: that behind a rather debonaire-looking mask of high objectivity lay the grim visage of a pretty definite Luce propaganda line. Essentially it is the American Century, that grandiose and curiously jingoistic paean to the future, which Henry Luce made seem even more so by the lavishness of his prose style, that emerged as the inspiration of the *Time-Life* editorial viewpoint. Fortunately, however, the advocacy of the general line gave evidence of being advanced rather tentatively and inexplicitly and without the wholehearted vehemence which an in-some-ways similar journalistic empire—Hearst's—brings to its own wars.

Three articles of the program of the Luce journalistic cartel were, nevertheless, pounded at with Hearstian regularity; the anti-Roosevelt campaign, the pro-Kuomintang plaudits and the snarls at Russia. Since the two first items seemed to present greater simplicity to the editors and appeared to be without the problems which complicated the anti-Soviet drive, they should perhaps be considered at the outset. Most obvious of all was the anti-Roosevelt campaign. It was clear even to a casual reader that neither Luce weekly ever lost a chance to sneer at the late President or failed to find some method of attacking him, while always keeping up the pretence that it was being objective.

In fact, the propaganda was so heavy that even those of us who prided ourselves on our knowledge of how Americans felt about issues and men, began to think that maybe, after all, Dewey was going to be elected President. This being the case, it was not surprising that the Chinese liberals who saw copies of *Time* were enormously worried. They were, to a man, hoping for Roosevelt's re-election to such an extent that most of them believed the Kuomintang was banking on a

## Home of Quality Candies

### A B C



Candies, Fruit Drops, Toffee, Nougats and Chocolates in fancy cases. Also *Rabbit Brand* Rolls.

## ABC

Biscuits, cakes, breads, etc. are made from best quality materials by the most scientific processes.

## ABC CONFECTIONERY & BAKERY

Pass. 622/House 56 Lin Sen Lu (Center) (Avenue Joffre), Shanghai.

Telephone: 85016

OBTAINABLE IN DEPT-STORES AND PROVISION SHOPS



Dewey victory, knowing that a Republican administration would clearly have to support the reactionary ruling clique, while, so long as Roosevelt was President, there was always the possibility that the American government would throw its weight on the side of a progressive coalition rule for a united China. It was not only a pleasant surprise to all of us when the election returns came in, but it supplied welcome evidence that *Time* at least, didn't have such great influence over the American Army in China, since both officers and GI's had voted overwhelmingly for Roosevelt.

At this point I hope I may be forgiven the interjection of an incident. When news of the death of Wendell Willkie reached Chungking, there was great and widespread sorrow. Then, while the steady political growth of this distinguished American was being discussed, it suddenly came to some of those present that Senator McNary, who had been Willkie's running mate in the presidential campaign of 1940, was also dead. Whereupon it was recalled that there had once been talk that if the Willkie-McNary ticket had won in the historic election, Henry R. Luce might have been Secretary of State, and the thought of Luce succeeding to the presidency made strong men tremble.

In its policy toward the Kuomintang Party, the Luce organization abandons its lofty scorn for wide-eyed admiration. It admits that there are things in connection with the ruling cliques in Chungking that are a trifle unsavory, but that does not prevent it from its rapt enthusiasm for Chiang Kai-shek and all his work, and bitterness for his enemies. Even when General Stilwell, who had long been, with great good reason, one of the Luce heroes, had his historic falling out with the Generalissimo, he was rather curtly put in his place in *Time*, while Brooks Atkinson, the drama critic who became the New York *Times* correspondent in Chungking, was patted on the back regularly by the Luce weekly until he took Stilwell's side in the controversy and told some strong truths about the Kuomintang, whereupon he was greeted as a tool of the Reds.

"There is, indeed, every reason to believe that Henry Luce, who was born in China of missionary parents, has determined to stick grimly to the ruling oligarchy in the land of his birth with all the zeal of his missionary background, even though he is well aware of its backwardness and corruption. In no other way is it possible to account for his treatment of the work of Theodore H. White, the extremely able, energetic and understanding correspondent he has had in China throughout the war. No newspaperman in the Far East has more knowledge or greater love for the country in which he works than Teddy White. Like the others who visited the Communist-held districts in the northwest, he came back filled with praise for the things he had seen. As a some-

what watered-down piece of his which appeared in *Life* during one of his trips to the United States in 1944 indicated, he was by no means blind to the melancholy state of affairs in Kuomintang China at that time. (Incidentally, the Kuomintang members who knew that Mr. White was writing the article and were aware of conditions in their country, expected such a blast, that when the story appeared and proved surprisingly mild, they were relieved to the point of regarding it as praise.)

Yet, apprised of the true state of affairs in China in the momentous fall of 1944, a period when there was the best opportunity in recent years of arranging for a unified China, *Time* saw fit to ignore the information sent in by a correspondent of the highest reliability in whom it has always placed great trust, and printed a long story to accompany a cover picture of General Stilwell, which was filled, not with any objective account of the facts, but with Kuomintang apologetics and violent attacks on the Communists that ran counter to Teddy White's report. It published long anti-Communist tales sup-

plied in by Lin Yu-tang and Representative Walter H. Judd, whose reliability is indicated by the fact that they have been insisting for the last two years that the Chinese Reds had not been fighting the Japanese at all, a contention disproved by all the news stories from China since the Japanese surrender; but it ignored what its own man had reported to it. It seemed characteristic when White received first word of his weekly's curious treatment of the Stilwell case through a Domei broadcast from Tokyo.

Obviously, it is Mr. Luce's business if he wants to defend his chosen Chinese party at all cost, just as it is mine if I think he is picking the backward, reactionary side. My only point is that it does tend to destroy any reputation his publications may have for objectivity when they toss aside the careful, factual reporting of one of their ablest correspondents because it does not happen to fit in with the political line of the boss. That would be alright if *Time* were frankly a journal of opinion but that is not what it presumes to be. Its insistence is that it is a news

# 金 萬 百

## 烟 香

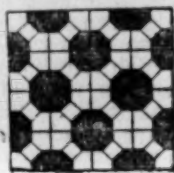


FOR

DISCRIMINATING SMOKERS

W. M. Waterman's Tobacco Corp.

PAINTED RATTAN. FURNITURES; WILLOW BASKETS IN ALL SIZES; RUGS, MATS AN OTHER STRAW GOODS.



鄧 甫 記 藤 柳 草 器 廠  
**DUN POO KEE & CO.**

Manufacturers of Rattan, Willow and Straw Goods  
201 Seymour Road, Shanghai—Telephone 35649  
For Export Please Cable "DUNPK"

## World-Wide Wireless

"Via"



**FAST  
ACCURATE  
& RELIABLE SERVICE**

交通部國際電台  
**Chinese Government Radio  
Administration**

70 FOOCHOW ROAD

TELEPHONE 11490

## MARK YOUR RADIOGRAMS

"Via **RCA**"

FOR

**DIRECT, ACCURATE, SPEEDY SERVICE TO  
AMERICA**

(Cooperating with the Chinese Government Radio  
Administration)

FOR FREE FORMS APPLY TO

**R.C.A. COMMUNICATIONS, INC.**

Sassoon Arcade, Nanking Road

Tel. 12558

magazine with a passion of getting at the facts. Rightly, one of the proudest boasts of the Luce organization is the excellence of its foreign correspondents. Such men as Jack Belden, John Hersey, Charles Wertenbaker, Robert Sherrod, Will Lang, John Scott, Richard Lauterbach and Theodore H. White, to mention just a few, are deservedly leaders in their field, and their stories are high points in *Time*. Unfortunately, it frequently seems that their work is window-dressing, rather than an inherent part of a great, objective news magazine. As in the case of White, it is too often that reports from news agencies and tales from less justifiable sources, rewritten and recolored in the home office, set the authentic tone and express the Luce party line.

The Luce policy in regard to Russia struck this Chungking observer as being more devious than was the case in the direct assaults on President Roosevelt and the equally frank determination to boost the Kuomintang at all costs. In some part, this seemed to be due to the reputation and position of the correspondents involved. Theodore White in China was just as able, just as forthright and just as courageous as were John Hersey and Richard Lauterbach in Russia, but he suffered from two disadvantages. For one thing, he possessed an almost fanatic personal loyalty to his employers, which, while an admirable quality, caused him to accept their frequently cavalier treatment of him and his work with philosophical equanimity. For another, he was, as a result of the American public's interest in Chinese affairs, better known and more respected by his colleagues in the newspaper business and by specialists in Far Eastern matters than he was to the average reader. Lauterbach and Hersey, particularly after the success of Mr. Hersey's *A Bell for Adano*, were better known to the public at large and were apparently not handicapped by the belief that they owned some mystical debt to the boss's prejudices.

Anyway, it was certainly true that the objective and informed reporting that Hersey and Lauterbach did on the Soviet Union forced its way into the magazine more emphatically than did White's equally objective reporting on China. Perhaps that was in part due to the fact that Mr. Luce's love for China is greater than his distaste for Russia. Nevertheless, if the Russophobia didn't seem as emphatic as the sentiment toward Chiang's regime, it did appear to be more all-prevading. At least it got into more departments. That was particularly noticeable in the book reviews, which never gave evidence of enjoying themselves as much as when they could get in a good body blow at the cohorts of Stalin or whisper with delighted terror about the menace of the Soviet Union. Since it is no secret that the book-review department of *Time* has long been one of the handsomest available refuges of the reformed left-winger, the reason for this violent



weighing heavily on governments distaste for the USSR was clear enough.

One of the most fascinating phenomena of contemporary life, of course, has long been violence of the converted Communist. This should have surprised no one, since the most pious member of any community has always been the reformed sinner, and the most wonderfully lurid speaker at any anti-saloon-league rally has invariably been the ex-drunkard. The most sympathetic observers of the Soviet Union have almost inevitably been the men who went to Russia without expecting too much; while the most violent assaults have been made by men like Eugene Lyons, who actually thought they were going to watch a Utopia in action. The converts from communism, having taken up the movement with religious fanaticism and been disillusioned, have naturally turned against the doctrines of Moscow with the same pious frenzy with which they bowed in that direction in the first place.

The book reviewers are not the only conscious followers of that line. John Chamberlain, who was once a rather radical critic and social historian, is now happily relieved of his leftist problems and enjoys his later days becomingly in his Luce pastures, dreaming cheerfully of the gospel according to Hayek and the possibility of proving that it was FDR who started the war against Japan. Then, of course, there is the gentleman generally accepted in informed whispering circles as the one who currently supplies the answers for the boss. He is Willy Schlamm, the Middle European journalist who was one of the leftiest of the left-wing boys until he saw the light and went in for the usual violent flight from Moscow. Some time ago, it seemed likely that the converts were going to establish what was frankly a magazine of opinion but which was boldly going to label itself "liberal." There is less talk about the idea at the moment. Then there is the paradox that the expensive magazine of the Luce group, *Fortune*, which frankly proclaims its concern with big business, has run more genuinely liberal articles than the rest of the lot put together. To a man whose chief liberation since his return from the wars is that he doesn't really have to read any of the Luce publications, there is the suggestion that we should be happy that the great man's skill and energy are not matched by any Hearstian directness of reactionary attack.

Demonstrating the huge capacity of Indian mills, official figures just released show materials supplied by Controlled Woollen Mills against Defence Department orders, covering production from October 1939 to November 9 of 1945. During that period Indian mills supplied, among other items, 2,276,557 vests, 1,682,746 drawers and 6,873,819 socks. The figure for angora shirting was 4,930,072, while the total number of blankets supplied was 1,478,601.

## Immediate Stabilization Of China's Currency Necessary

By ALFRED LANDSBERGER LL.D., RER. POL. D.

ONE of the most important economic problems arising since the end of the war has been the fixation of the foreign exchange rate of the Chinese National Currency. Opinions differ and range from those favoring a low value to those favoring a high value for the Chinese dollar. There are also those who, although wishing to abolish the existent out-dated exchange rate, are against a fixation of a rate at present, proposing to leave everything to free development. Although the Chinese Government has not announced its attitude, rumors have it that a new foreign exchange rate will be fixed shortly which will do away with the present rate which is out-ruled by the open market rate that has freely developed.

If there were no economic intercourse between countries, the problem of foreign exchange rates would not arise at all. This statement, however, has nothing to do with the necessity that a currency must be based on some commodity for determining the value of its unit, independent from the existence of foreign economic relations. However, since no country can live an independent economic life, foreign exchange rates are unavoidable. Fluctuating foreign exchange rates are detrimental to the development of economic relations between countries. The exchange of goods and services will in such a case be dominated by speculation which will tend to complicate business and will lead to smaller exports and imports. An unstable foreign exchange rate also will indirectly harm economic activities within the country.

The necessity of a fixed foreign exchange rate having been established, the problem remains of how this rate should be determined. What factors determine a foreign exchange rate? The foreign exchange rate should be identical to the value of the currency unit expressed in terms of a commodity as fixed by the government. According to current practice, the currency unit must have a relation to a certain quantity of gold or be linked to another currency that is stabilized on gold. (At present all stabilized currencies are directly or indirectly linked to gold.) Thus the foreign exchange rate of the Chinese currency must also be fixed directly or indirectly linked to gold. Thus the foreign exchange rate of the Chinese currency must also be fixed directly or in relation to gold. The foreign exchange rate depends mainly on the conditions of the currency within the country. The basis for the calculation of the value are the holdings of the banknote's banks for the issue of the currency. In addition, the situation as to payments to foreign countries plays an important role. Naturally, war expenses have been

and the debts of governments are immense. However, this fact alone need not break the backbone of a currency of a victorious country like China since the costs of the war temporarily can be covered by foreign loans and by internal taxes. (War costs should be considered expenses of the nation, not of the government.)

Should considerations of foreign trade advantages influence the fixation of the foreign exchange rate? There are two alternatives: Manipulation of the rate to foster exports or imports; or to protect native production. The latter course, however, leads to the use of the same weapon by other countries. This means economic war and therefore means economic cooperation between countries can never be achieved. The result will only be decreased exchange of goods and services between countries. Consequently, such a weapon should be used only if no economic cooperation is possible. A government, therefore, should first try to safeguard its economic interests by negotiating international trade agreements. If such agreements can be achieved, the fixation of the foreign exchange rate of a currency can be made a matter of consultation with other important countries. Only if such trade agreements cannot be concluded, should the fixation of the foreign exchange rate be carried out in a one-sided manner by a government which has to see to it that all the economic interests of the country are safeguarded.

At present, when puppet CRB notes are to be withdrawn and when other complications prevail, it is certainly no easy matter to determine the real value of the Chinese National dollar; a dollar whose value should also represent an advantage for China's economy. Through currency loans and other means the sterling value of the Chinese dollar, calculated in terms of gold or the U.S. dollar, can be raised considerably over its present open market value. However, such an increase of the value of CNC might upset the economy of China unless all the necessary precautionary measures are taken. On the other hand, to fix the value of the Chinese dollar near the present open market rate is not an easy decision either under the present fluctuating and unsettled economic conditions. However, a fixation of the foreign exchange rate of the currency is of great importance to China's economy and, since China is going to have an important place in the world's economy, a rate, either fixed arbitrarily by the Chinese Government, or based on international agreements, should be determined as soon as possible. If later, this rate should be changed, such a change would not cause as many disadvantages to the nation's economy as the lack of a suitable foreign exchange rate causes now.

EAT AT  
**Jimmy's**

133 Nanking Road  
Shanghai

Branch 11-3 Rue Montauban

**COKE**

FOR-DOMESTIC-HEATING  
SMOKELESS FUEL

SHANGHAI-COKE-CO.

715 Tibet Road

Tels: 91294, 92598

**PARKER COMPANY** offers you  
the highest prices in buying your  
fountain pens; **PARKER, CON-  
KLIN, SHAEFFER, EVERSHPAR**  
etc. at 197 Honan Road, Shanghai,  
Telephone 96895.

The  
**National Industrial Bank of China**  
Transacting  
Modern Banking Business  
Branch Office: 130 Peking Road,  
Shanghai—Tel: 18725-9  
Sub-Branch: 428 Rue du Consulat,  
Shanghai—Tel. 87817-85432

司公鏡眼華精  
**The National Optical Co.**  
Phone 91224  
281 Nanking Road,  
SHANGHAI

Review the events of the past  
year. 14 American magazines per  
month (1945 publications) will be  
delivered to you by our magazine  
circulating service. Changed three  
times weekly. Delivery anywhere.  
Details 53063, from 9-12, 3-6; Sat.  
9-12; Sun. 10-12. First Reading  
Circle. Founded Mar. 1, 1939.

## NEWS OF THE WEEK

### Truce Rumored As War Rages

**W**HILE fighting between the Com-  
munist and Nationalist forces con-  
tinued unabated, there were indications  
that truce talks were in the offing.  
Minister of Information K. C. Wu in  
an interview stated that since the Com-  
munists had begun to meet defeat after  
defeat at the hands of the Central troops,  
Yenan had shown increased willingness  
to open peace talks.

Minister Wu listed the Communists  
proposals as:—

1. Complete cessation of all hostilities  
in China and Manchuria.
2. All inter-party political and mili-  
tary problems to be settled after the  
truce takes effect.
3. An investigation of the areas where  
fighting was proceeding to be made by  
inter-party representatives and neutral  
observers. Pending the reply from the  
Central government to these proposals,  
no peace talks can as yet be held.

Meanwhile Gen. George C. Marshall  
was spending a busy week in the war-  
time capital discussing China's problems  
with members of all parties. It is now  
becoming clearer what his role in China  
is—namely to act as mediator between

the two factions, and not to sit and judge  
their relative merits and failings. That  
this will greatly facilitate a rapproche-  
ment between Chungking and Yenan  
seems to be a well-founded conclusion.  
In Yenan Gen. Chu Teh stated that he  
considered the recent speech of U.S. Sec-  
retary of State Byrnes as being a great  
contribution in the sense that Byrnes  
had stressed the need for the establish-  
ment of a democratic regime in this  
country, this being the view which the  
Communists also stress, the Red leader  
pointed out.

Attention on the Chinese internal  
diplomatic scene centers on the exchange  
of views now going on between Chung-  
king and Yenan regarding the minimum  
demands of each concerning the condi-  
tions upon which they will order a truce  
pending the opening of peace discussions.  
However it is not considered likely that  
peace talks will begin until some days  
or even weeks have passed, Chungking  
observers opined.

Meanwhile, all along the civil war  
front the Central troops were making  
advances. Military action was shown in  
the Northwest where Nationalist troops  
were converging on Kalgan in a drive  
to capture the Chahar capital, which is  
now in Communist hands. Paralleling  
this action, another force was preparing  
to launch a drive aimed at wresting from  
the Communists the Jehol capital of





Changteh. Brisk fighting also took place both to the east and west of the Ping-han railway in Honan.

U.S. shipping and plane facilities would be offered to the National government for the transport of troops to Manchuria, Gen. A. C. Wedemeyer announced at a press conference in Shanghai. The general also mentioned the fact that plans were under way to equip the Chinese Government troops for the sub-zero weather in that area.

Indications were forthcoming that the U.S. forces in China are far below the necessary strength. Gen. Wedemeyer stated that in place of the 15,000 men required to carry out his orders he has at present only some 8,000 under his command. Other reports claimed that U.S. forces in China would remain for at least another six months, possibly even for a year.

## 1 Killed During Student Protest

**F**URTHER unrest among China's student body was evidenced last week when a teacher was killed during a demonstration in Tsingtao, according to a report carried by the Peiping edition of the Ta Kung Pao on December 28.

The teacher, Miss Fei Hsiao-chi, was struck by a rifle bullet fired into a crowd of students and teachers who were parading in protest against the government-ordered compulsory examinations for students who attended schools in Occupied China during the Japanese rule.

Outcome of the demonstration was a student strike against the examinations, which, according to government officials, are designed to determine whether or not the students are under the influence of Japanese propaganda.

## Franc Pegged To New Level

Bringing about a realistic alignment of the French franc and the currencies of the other main trading nations, French authorities last week announced that the French franc was fixed at a new rate of 480 to the pound sterling. Although it had been whispered in financial centers for quite some time that such a step would be taken, French authorities kept silent about it and deliberately chose the Christmas holidays for the announcement of the new rate. This was a wise policy on the part of the official circles to prevent speculative counter measures.

Financial experts had repeatedly pointed out that the acknowledgment of the Bretton Woods agreement on the part of Great Britain would ultimately force the hand of France. As pointed out by the Review on November 17, 1945, the most rational and feasible plan for France to avoid the dangers of inflation would be to devalue the French Franc. Such a move would also reduce the debt burden of the government, would raise new revenues by revaluation of the gold

reserves and foreign exchange balances, and would ultimately prove to be conducive to stabilization of the currency in its international relation.

Following the devaluation, the "Journal Official" published a table fixing the rate of sale and purchase of foreign currencies. United States dollars were fixed at 118.9 francs for sale and 119.3 for purchase, the Canadian dollar at 107.85 and 108.2, the pound sterling at 479.7 and 480.3, 100 Portuguese crowns for sale at 484 and purchase at 482.5, 100 Swiss francs at 2768 and 2770, 100 Belgian francs at 272.1 and 271.4 and 100 Danish crowns at 2486 and 2478 respectively.

The rates of exchange for banknotes were given as: U.S. dollar at 117.5 and 119.3, and pound sterling at 475 and 480.3.

The old rate of 200 to the pound sterling had become extremely unrealistic on account of the rise in French prices and wages. It made French goods far too dear for export, and trade between France and most countries, especially Anglo-French trade had become a unilateral affair, resulting in heavy French debts with the Bank of England.

It was further reported that French authorities intended to requisition French foreign holdings, especially foreign currencies, dividends on foreign shares, and foreign shares held abroad. Regarding foreign shares held by French nationals in France no decision has been announced yet.

## Shanghai Nazis Claimed Pampered

**D**OUBTS regarding the melancholy lot of Nazi internees were expressed by the local press last week which pointed out that the Nazis in the local camp could buy anything they wanted and that the show of German diplomats doing household work was deliberately staged to begot the visiting newspapermen eagerly looking out for a story. Incidentally, it was also reported that two non-Germans were retained in the same camp, although one of them had edited before the war a democratic anti-Nazi paper in Shanghai, the Green Post.

## Koreans Object To Trusteeship

**T**HE decision of the "big three" to establish a kind of trusteeship for Korea met with stern disapproval on the part of the chairman of the Korean Commission in the United States, Col. Ben C. Limb. Making sweeping statements to the effect that the Koreans had had their own government for the past 4000 years, the chairman voiced dissatisfaction with the new arrangement which would deprive Korea of its most cherished asset: liberty.

## Who's Who in China

JIAN H. CHEN, government official and banker; born at Shaoshing, Chekiang in 1890; B. Sc. St. John's University, Shanghai, 1917; M. A. Ohio University, 1918; following two years spent in a



Jian H. Chen (Chen Hsing)

陳行字健菴

special study of banking at Columbia University and working with the American Foreign Banking Corporation; returned to China in 1921, accepting position as head of banking department in Shanghai branch of Chinese-American Bank of Commerce; made manager of Hankow Branch in 1922; in same year was elected director of Hankow Bankers' Association and in 1925 was elected a director of Hankow Chamber of Commerce; after Nationalist Government took over Wu-Han cities in 1926, he was appointed manager of Hankow branch of Central Bank of China; concurrently director of Wuchang Mint, 1927; upon the political split between Nanking and Hankow in April, 1927, he retired from all activities and moved to Shanghai; in winter of 1927, when T. V. Soong resumed position as Minister of Finance, he was appointed comptroller of currency of Ministry of Finance and concurrently acting manager of the Shanghai branch of the Central Bank of China; upon reorganization of the bank in 1928, he was appointed deputy governor, a post still held; in 1935 appointed director of Central Mint; following Japanese surrender he was appointed concurrently financial commissioner for Shanghai and Nanking District; organizations: member of Sino-American Cultural Relations Association, People's Foreign Relations Association; address: the Central Bank of China, Shanghai.

He also declared that the Koreans had been fighting the Japanese for the past forty years without any foreign help so that they could not be expected to agree with the present state of affairs.

As in most cases where national aspects are concerned it might prove to be difficult indeed to plant a correct picture of the situation. On the one hand, self-appointed leaders are not the ideal solution of the problems in hand, while on the other it is difficult to achieve a working principle satisfactory to all parties. Time and a democratic education of the Korean people, therefore, might hold out the best workable political promise in the long run.

## EVENTS IN BRIEF

True world cooperation of peoples and a real guarantee against another war does not recognize the differences among Europeans, Indo-Americans, Negroes or Jews, an appeal, adopted last week by the Chamber of Deputies in Mexico and sent to all parliaments of the world and to the United Nations Organization, declared. Asserting that the Nazi claim to racial superiority had caused the second world war, the appeal said that the international policy of Mexico has been based fundamentally on the equality of all men of all races.

President Truman last week signed legislation to accelerate admittance into the United States of foreign-born wives of American servicemen and other members of the American armed forces.

Denying any knowledge of reports that the Filipinos are asking that the independence of the Philippines be postponed beyond the statutory date of July 4, 1946, Secretary of the Interior Harold L. Ickes stated last week that he believed, nevertheless, that a lot of people were thinking differently about independence since the end of the war.

A single Indian Union including the whole of British India and all Indian states was suggested by the Sapru Committee in its final report on Indian constitutional reforms. last week.

Running of trains from Paochi to Tienchu became a reality last week when the first successful trial was made, marking, incidentally, the first train service to operate in Kansu. It was further reported that plans are being prepared for an extension from Tienshui to Lanchow.

Highlighting China's slow march towards democracy, Chungking citizens last week thronged 250 polling booths to cast their votes in the first popular election to be held in the city. The election was staged to elect the second popular municipal council in post-war China.

More than 110,000 Japanese, repatriated from various parts of North China, embarked for Japan at Taku up to Christmas, it was reported from Tientsin.

People in the Far East will soon be given an opportunity to travel by the gigantic airliners of the Transcontinental and Western Air Lines Inc. if the far-reaching plans of the company should materialize, said Jack Frye, the company's president, last week. The company expects authority to confine eastward from Bombay and Colombo to the

western shores of the Pacific Ocean, he added, possibly establishing two routes from India to Shanghai. One of the planned extensions may go eastward from Colombo to China by way of the Malay Peninsula, Indo-China, and then on to Hongkong. The proposed expansion to the Far East may serve as a connecting link with the westward transport route which the airline management hopes to establish from the United States to Shanghai by way of the northern Pacific. Meanwhile, the China National Aviation Corporation established a new line from Shanghai to Taiwan last week.

Radio receiving sets must be registered with the Radio Control Board of the Shanghai - Woosung Garrison Headquarters, it was announced here last week.

Overseas Chinese, numbering about 200,000, have expressed their wishes to the Overseas Affairs Commission to return to their homes in the South Seas. Requests have further been made to the CNRRA to assist those desiring to go home by providing land and water transportation facilities.

Marking another step forward to normalcy, the local French Club, officially called Cercle Sportif Francais, opened on January 1, after a long period of inactivity following Japanese control of French institutions in China.

Foreign residents in Shanghai will be exempt from pao chia obligations, local authorities announced last week.

Subversive Japanese activities were reported from North China last week in connection with attempts to torpedo Sino-American friendly relations.

Judicial house-cleaning in China was announced by Mr. Chao-lung Yang, Director of the Department of Criminal Affairs, Ministry of Justice, who said that judgements rendered by the puppet court during the time of occupation would be upheld by the Ministry of Justice.

Vestiges of Japan's sinister opium program in China will shortly disappear when some 800,000 Chinese ounces of opium will be publicly burned in Peiping by Central Government authorities, it was revealed last week. Everyone acquainted with Mr. Vesta's book on the aim of Japanese opium activities in China will welcome the energetic attitude of the authorities in this respect. It will also be recalled that the Japanese attempted a systematic drug poisoning of the Chinese population in an effort to strengthen their stranglehold on China.

## Revolution to Go On, Says Chiang

IN a New Year's message to the Chinese people, President Chiang Kai-Shek voiced his determination to continue the National Revolution inaugurated by Dr. Sun Yat-sen. The President stated that National Unity and reconstruction were the most urgent problems confronting the nation.

President Chiang pointed out that China has always suffered from disunity which has prevented consolidation and reconstruction in this country. In order to remove this obstacle, the President laid down the policy of forming a single National Army.

He divided the National revolution into three stages, the first being the overthrow of the Manchu dynasty; the second, the liquidation of warlordism; the third, the defeat of Japanese aggression. With the victory over Japan, China can now undergo constitutional changes with a view to the creation of a true democratic regime in this country, he stated.

The immediate task confronting the nation, the President noted, was the alleviation of the people's suffering. This can only be carried out by weeding out inefficiency and corrupt officials. To this end every citizen must apply his energy for the national good, he added.

Only by following this line of action can the Three People's Principles enunciated by the Father of the Republic, Dr. Sun Yat-sen come to fruition, the President concluded.

## Radio Controls Set Up Here

LOCAL authorities last week moved to ensure closer control of radio facilities in the area with the setting up in Shanghai of a department for the supervision of radio communications.

In conjunction with the investigation department of the Shanghai-Woosung Garrison Forces, the department will control all radio stations, broadcasting sets and radio equipment dealers in the area.

Perhaps the most significant part of the operation will be the control of radio receivers through registration on the part of the owners, who must obtain installation certificates. In addition, permission must be obtained before a local resident may purchase a radio. Those failing to comply with these regulations will have their radios seized by the department.

So far there has been no announcement of the reasons for this move, nor has there been any indication that radio receiving sets will be required to conform to any standard regarding number of tubes or receiving bands.

**For Russian Cuisine**  
*at its best*

815 Avenue Joffre



870 Bubbling Well Road



## Accord Reached At Moscow Meet

Decisions destined to shape the post-war world were reached at the recent Moscow conference where the foreign ministers of the United States, Great Britain and Soviet Russia agreed upon the future administration and control of Japan, the attitude to be taken towards China, and the procedure to be followed in future discussions of atomic questions.

Regarding the first part of the agreement, a Far Eastern Commission consisting of representatives of the United States, Great Britain, USSR, Australia, China, France, Canada, India, the Netherlands and the Philippines will replace the Far East Advisory Commission and will control fulfillment of the Japanese surrender terms and also review activities of the U.S. Supreme commander without concerning itself with military operations. Furthermore, a control Council in Tokyo, consisting of the representatives of the United States, the USSR and China, with one representative jointly representing Australia, India, New Zealand and the United Kingdom, will supervise execution of the policy agreed upon by the Control Commission.

Defining their policy with respect to China, the big three powers agreed upon the need for a unified and democratic China under the control of the National Government of Chungking; upon the need for cessation of civil war, upon the need for broad democratic participation in the Chinese National Government and on non-interference in Chinese internal affairs.

Naturally, the inclusion of Soviet Russia and China into the group of controlling powers was welcomed in the capitals of the two countries while Japanese circles appeared somewhat shaken at the prospect of being controlled by an international body.

The most interesting part, however, of the Moscow agreements dealt with atomic energy. Here one fact stands out; namely that the United States, Great Britain and Canada are not going to divulge the secret of the atomic bomb for the time being. This secures for the Anglo-Saxon Powers a tremendous military superiority which undoubtedly will give their decisions great weight in the forthcoming conferences. The aforementioned powers, however, agreed that they would inform the other powers of the secret of atomic energy as soon as a worldwide co-operative control program has been perfected. This, it was declared though, may take many years.

As regards minor matters, formulas were accepted for the preparation of peace treaties with Italy, Rumania, Bulgaria, Hungary and Finland with the provisions that only those of the major powers which were concerned with the respective beaten countries will participate.

## PEOPLE IN THE NEWS

WANG KEH-MIN, twice President of the puppet North China Political Affairs Commission, died last week in a military prison, where he was awaiting trial on treason charges. Wang had joined the Japanese in 1937 and was their main agent in the establishment of the puppet North China regime and the Hsin Min Hui political party. This regime was similar in structure to the well-known Wang Ching-wei puppet government in Nanking.

RANDALL GOULD, President of the Post-Mercury Company, returned to his old office last week five years after his departure to the United States. Gould was one of the top men on the Japanese black list since he had carried on an embittered editorial war against Japanese aggression in China. Accompanied by his wife, Mr. Gould arrived here on board the s.s. Marine Robin.

FENG SHIH-YU, oldest Koumintang member, arrived here last week from Chungking by air. A native of Nan Hai of Kwantung Province, Mr. Feng is 64 years of age. He joined the Koumintang party at the age of 15, when Dr. Sun Yat-sen was founding the party in Yokohama. Mr. Feng is reported working on a book dealing with the Chinese revolutionary movement.

FENG CHI-TSENG, Chinese Ambassador to Mexico, presented his credentials to President Camacho last week. President Camacho reaffirmed Mexico's friendship with China and, after the official ceremony, extended through Ambassador Feng his invitation to Madame Chiang Kai-shek to visit Mexico.

YANG TSUNG-CHUNG, Director of the Shanghai Office of the Audit Ministry of the Supervisory Yuan, arrived in Shanghai last week. The new bureau has been established to supervise the auditing of accounts and budgets of various government organs in Shanghai. Meanwhile, LIN YUN-HSIA, Minister of Auditing, left for Hangchow. While in Shanghai on his nation-wide inspection tour, Mr. Lin heard reports from various government organs concerning accounting affairs, and made a speech at the Cantonese Residents Association.

DR. DING-SAI CHEN, Member of the People's Political Council and well-known local lawyer, returned to Shanghai last week to resume his practice after a successful conclusion of his mission to the United States as Special Commissioner of the Judicial Yuan.

DR. LO CHAI-LUN arrived in Washington last week from London. Dr. Lo will spend a few weeks visiting various American Universities and meeting political and cultural leaders before returning to Chungking.

MA LIANG and YANG YU-HSUAN, puppet Shantung Governors at different periods, were arrested last week together with some 100 other persons following the surrender of Japanese troops in the Tsinan, Tsingtao and Tehchow areas.

THODORE DREISER, 74, famous American author, died in Hollywood last week of a heart attack. Some of his books, such as "American Tragedy," were known all over the world and were translated in many languages. Dreiser liked to portray American men and women caught in the turmoil of American mechanized civilization.

S-SGT. ALEX LIOSNOFF, formerly stationed in the Philippines, returned to Shanghai last week and visited his parents, Mr. and Mrs. A. G. Liosnoff of Shanghai, whom he has not seen since 1938 before returning to America. Sgt. Liosnoff has been overseas 18 months, serving in New Guinea and the Philippines, and is in the awards and decoration section, G-1, Base M, Luzon. He wears the Philippine Liberation Ribbon and the Asiatic-Pacific Theater Ribbon with three battle campaign stars.

DR. WANG SHIH-CHIEH, Minister of Foreign Affairs will head the Chinese Delegation to the first General Assembly of the United Nations Organization, which is scheduled to take place in London on January 10.

GENERAL CHIANG CHING-KUO, elder son of Generalissimo Chiang Kai-shek, arrived in Moscow last week as the Generalissimo's personal representative. The appointment of General Chiang, who was educated in Russia, as the Chinese Government's special diplomatic envoy to Moscow was announced in the Chungking press.

KO TIEN-MING, identified as a one-time member of the North China Political Affairs Council, was executed on December 15 in Hopei Province.

DR. SHU HSI-HSU is the Chinese representative on the six-nations sub-committee which will leave London for the United States shortly. The purpose of the committee's visit to the United States is the selection of a permanent seat for the headquarters of the United Nations Organization.

## STANDARD VACUUM OIL CO.

MOBILGAS MOBILOIL

and

All other high quality petroleum products

# BUSINESS FOOT-NOTES

France and the U. S. S. R. signed a five-year trade agreement last week. Mutual Assistance, most-favoured nation clause, and establishment of trade missions in France and Russia were agreed upon.

Following her great ally, Great Britain, France last week asked for the loan of US\$2,000,000,000 from the United States, insiders declared. Negotiations aiming at a far-reaching financial and economic set-up were scheduled to start soon.

Exchange problems in China are still hanging fire, with contradictory declarations stepping on one another's toes. The latest report has it that the New Year Holidays will be employed to prepare the final announcement of the U.S. and Chinese currency exchange rate. Premature leakage of the new rate will be prevented, private financial circles hope, since otherwise millions of dollars might be earned by one telephone call to a good friend's office, which happened in Chungking some time ago when quite a number of government employees used their knowledge of the impending alteration of the gold price.

Ten cargo coastal ships were purchased by the Chinese Supply Commission last week at the price of US\$4,320,000. The Chinese Government will operate these vessels in Chinese coastal waters.

Paying US\$250,000 for initial planning costs, the Chinese Government set American top brains into motion last week to work out plans for the gigantic Yangtze Valley Project. Plans for the world's largest dam and hydro-electric plant, which will also irrigate 10,000,000 acres of land, will be blueprinted by the U.S. Bureau of Reclamation engineers. Actual construction and financing of the project, however, will be handled by Chinese experts. Improvement of Yangtze navigation facilities so that ocean steamers can sail far into the interior of China, and production of huge quantities of electric power are visualized by planners.

Voicing dissatisfaction with UNRRA's China allotment, Cheng Pao-nan, Director of CNRRA, pointed out that smaller countries are receiving greater help than China. US\$945,000,000 would be adequate, Cheng declared, a sum which is but a fraction of China's own relief program. China's allotments may be reconsidered soon, Cheng said.

Vital railroad equipment will soon arrive in China. Demonstrating new world economic co-operation UNRRA purchased U.S. surplus railroad equipment in Iran last week used there to deliver military supplies to the U.S. Persian Gulf Command. All locomotives and half of the other equipment will be sent to Shanghai, the remainder will be shipped to Hongkong-Kowloon area.

U.S. Army surplus stock in India which has not yet been disposed of or delivered will be sold to Indian Government, it was officially announced last week. US\$500,000,000 worth of materials will soon change hands when present Delhi talks have clarified sale conditions.

Renaissance of international trade between U.S. small businesses and Pacific small scale firms was the object of a letter sent by President Truman to Maury Maverick, chairman and general manager of the Smaller War Plants Corporation, whose functions were transferred to the Department of Commerce and the Reconstruction Finance Corporation last week. Said the President: "... Particularly, I am interested in the development of American small business in the field of international trade. The countries to be visited by you are the Philippines, China, Korea, Australia, and New Zealand."

Beginning to collect House Taxes, formerly called Municipal Rates, the Finance Bureau has announced that it will take as its basis the 1937 assessed rental multiplied by 60. The rate will be 14 percent, irrespective of the usage of the premises and has to be borne equally by the landlord and the tenant.

Owners of some 30 Chinese factories appealed to the public last week to champion their cause in the name of justice. Disapproval was expressed at a meeting over the ruling of the authorities that all properties purchased by Nationals or puppets are to be taken over by the Central Government. Owners petitioned the Government to return their properties in order to resume operations and to assist in the program of national reconstruction. The names of the more important industrial establishments are: Central Glass Factory, Kailan Paint Manufacturing Company, Kwang Hwa Printing Company, Hwa Tung Tobacco Company, and the Woo Foong Dyeing and Weaving Factory.

## LOCAL PRICES C N C \$

GOLD 10 OZ

828,000

725,000

RICE 1<sup>st</sup> QUALITY

8,000

7,000

U. S. \$

1,445

1,215

Av Gov. BONDS

496

423

DECEMBER

DES. W. H. WIENER

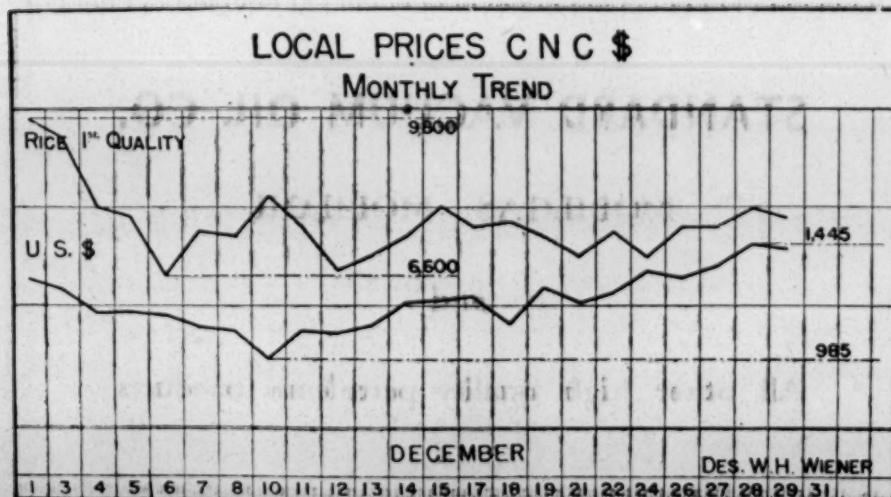
21 22 24 26 27 28 29

The week preceding the end of 1945 saw firmer rates all around, and especially U.S. dollar notes and gold appreciated. The so-called black market for U.S. dollar notes has obviously discarded the rumors of an impending pegging of the exchange rate at the CNC\$1000 level and although there were other stories circulating of an exchange rate of CNC\$1500 to be announced shortly, nothing definite has come of it. On the other hand, it cannot be doubted that some clever operators have tried to make hay while the sun shone and that they absorbed sizeable quantities of notes at moderate prices. Looking at the month's chart one might dare to say that it bears out the foregoing statement since the U.S. dollar rate has steadily advanced beginning from December 10.

Reductions ranging from one to ten percent in passenger fares to and through South America were announced by Pan American Airways and its affiliate, Pan American-Grace.

Plans of American industrialists to establish branches in Britain were reported cancelled in connection with moves of the Labor government to nationalize industries.

The Puppet instituted special tax on livestock was condemned as illegal by Mayor Chien Ta-chun.





# State Operated Cotton Mills May Relieve Cloth Shortage

By BEN Y. LEE

A STATE Cotton Mill Corporation has recently been established here, operating all spindles of former Japanese mills lately taken over, and installing millions of new spindles. The new concern will have a general manager and a board of directors who are empowered to transact the company's affairs in a way similar to that of private enterprises. The operation is divided into four zones or districts: 1) Northeastern zone with Hopei and Chahar as the center, 2) Southwestern zone with Szechuen, Hupeh, and Hunan as the center, 3) Northwestern zone with Shensi and Honan as the center, 4) Southeastern zone with Kiangsu and Chekiang as the center.

The formal inauguration of the new corporation will take place soon, with Shanghai as its headquarters. About 20 mills are to be operated at present, with a total of approximately 600,000 spindles, representing an average of about 30,000 spindles per mill. It has been announced that the Government will operate these mills for five years at the end of which period they may be handed over to private industrialists.

Local industrialists are somewhat uneasy over this plan since they are afraid that other branches of industrial activities may also be drawn into the orbit of government-owned enterprises. A government spokesman, however, stated that the new concern will in no way act detrimentally to private interests. For the time being, the War-Time Production Bureau of the Ministry of Economics is operating these mills as a temporary measure in order to relieve the present shortage of textile goods. Prior to 1936, Japanese interests in Shanghai operated 30 mills with 1,675,240 spindles and 18,553 looms. When these mills were taken over, only 1,181,230 spindles and 16,987 looms were found. The following mills, however, were still fully equipped: Naigai Wata No. 9, China-Japan Nos. 3, 4, Shanghai Mills Nos. 3, 4, and 5.

Besides cotton spindles and looms, 48,000 wool spindles and 12,000 jute spindles were taken over. Roughly speaking, therefore, about 25 percent of the machinery installed in former Japanese mills was either removed or demolished. The stock of raw cotton, manufactured yarn and cloths stored in the godowns of the confiscated mills was found to be quite sizeable. Industrialists estimated that there is enough raw cotton to last from three to four months.

Eight cotton mills out of 11 in Tientsin were Japanese-owned and have recently been taken over. At present, only four of those are operating on a small scale. Also, these mills were reported to have enough raw cotton to last for four months. The War-Time Production Bureau of the Ministry of Economic is operating about 200,000 spindles and by the end of the year 400,000 spindles were expected to be operating again. By next spring all the spindles recently taken over are scheduled to be in operation again.

The transportation, however, of raw cotton from any cotton growing center in China to Shanghai is a serious problem. Cotton grown in the Tungchow area, a well-known cotton growing district in China, cannot be sent to Shanghai at the present time because of political disturbances, while cotton grown in the central and northern parts of China might also take considerable time because of political and military obstacles.

The Government, therefore, will do best to purchase American cotton on a credit basis. The first shipment of Mexican

cotton, consisting of about 5000 bales arrived here a short time ago, and the cargo will be distributed among the mills run by the War-Time Production Bureau.

The present quotation for American Cotton on the New York market is about 24 cents per pound. If one calculates on the basis of the present black market rate for United States dollar notes in Shanghai, which is roughly CNC\$1200 for US\$1.00, a picul of low middling of 133 pounds will cost about CNC\$50,000, including freight, insurance, and so forth. Native cotton, however, even of lower quality at the present time is selling at a higher price than the imported cargoes.

At present, the profit earned by operating cotton mills is abnormally high, a fact which is due to the high price of yarn and the comparatively low price of raw cotton. It takes, for instance, three and a half bales of raw cotton to manufacture one bale of yarn weighing 400 pounds. At the present rate of exchange three and a half piculs of raw cotton cost around CNC\$175,000. If one adds the outlay for wages, salaries, power and other incidental expenses, the total cost price of a bale of yarn cannot be higher than CNC\$200,000. The 20' yarn, however, at the present time is quoted at CNC\$450,000 per bale, thus yielding a profit of CNC\$200,000 per bale of manufactured yarn.

The following table might help to visualize the diverse increases in important economic magnitudes pertinent to the textile industry:

Increase as compared with 1936 Level:

| Wages     | Salaries  | Yarn       | Cotton     |
|-----------|-----------|------------|------------|
| 800 times | 250 times | 2000 times | 1200 times |

Advocates of government enterprises in the textile industry enumerated the following advantages:

1) Yarn can be sold at a price lower than that prevailing in the yarn market, so as to reduce the margin of profit to a minimum.

2) A standard will be fixed as regards quality and quantity of yarn and manufactured cloth and also as regards overhead expenses and wages.

3) The purchasing and financing of large shipments of foreign and domestic cotton can be carried out without much difficulty.

4) Government-run mills can draw upon ample liquid funds at a much lower rate of interest than private industrialists can ever hope to obtain.

5) The purchase of machinery, accessories, and replacement is standardized.

6) Methods of accounting and checking are uniform, and the financial results will be published periodically.

7) Labor troubles will be reduced to a minimum on account of uniform wages paid in all Government-owned plants.

8) Public plants are expected to produce various kinds of yarn and cloth to meet the market demand and will thus stabilize violent price fluctuations.

The foregoing advantages seem to hold out enticing prospects, if the Government should be able to live up to its plans. Most people, however, think that it will be difficult to find honest administrators and executives being able to run such huge plants efficiently.

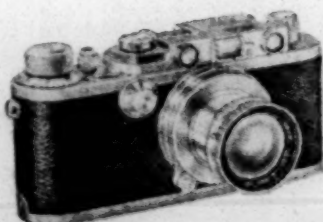
There is, furthermore, the always present danger of nepotism, that is, that too many good friends and relatives of the leading men will be employed. In addition to these criticisms, some local economists have pointed out that it will be difficult to eradicate corruption since fraudulent practices in accounting and checking may be employed despite strict vigilance. Some people also pointed out that reports and regulations of public enterprises may often boast literary excellence without having, however, much practical value.

For the time being, though, it seems to be premature to pass judgment upon the new organization, and, therefore, facts alone will prove the merits or demerits of the Government-run plants.

## DOLLAR COMPANY PHOTO SUPPLIES DEPARTMENT

Quality Cameras, Lenses and other photographic materials

Speedy repairing, Developing and Printing service.



20 Nanking Road,  
44 Myburgh Road

Tel. 14777  
36409

## CHINA ORTHOPEDIC INDUSTRY

599 Avenue Foch

Telephone 73772

(Between Cardinal Mercier & Rte. des Soeurs)

Arch supports for every foot trouble,

Truss Bandages, Spine and Leg-Braces,

Artificial Limbs, Etc.

SCIENTIFICALLY CONSTRUCTED  
BY OUR OWN WORKSHOP.



中國科學整形館

# NEW BOOKS OF INTEREST

## Same World

"HOW NEW WILL THE BETTER WORLD BE?" by Carl L. Becker. Overseas Editions Inc., (Published originally by Alfred A. Knopf, Inc.) New York. 1944. 177Pp. Reviewed by S. E. Shifrin.

IN a book of questions Carl L. Becker, Professor emeritus of history at Cornell University, provides the answers. In his opinion the main problems of the world to-day are war and unemployment. A return to the Golden Age of normalcy would mean, he feels, chaos in an atomic (that came later) and electronic world. It is difficult to abate nationalism and curb the sovereign state—which, according to him, needs no curbing. The Democracies were fighting for—strange as it may seem in a war-time book—the preservation of the status quo, a term which Professor Becker feels, has been greatly abused. Power politics are not inherently bad, and imperialism will be ended not before conditions that are nurturing it have disappeared. What America wants, as seen by the author, is the economic collectivism of a Social Democracy. The "United Nations" are not a magic password to cure all political ills, while an international organization that would start off with world-wide economic measures would have a chance to develop something really important. Such are the answers provided by Prof. Becker who answers the title question by—"not much newer."

Nobody could accuse the author, one of America's most prominent historians and a master of the English language, of building castles in the air. He has his feet planted, if anything, too solidly on this earth of ours. Looking at things through a historical prism and tracing the events in the period between the two wars, Prof. Becker, in simple language and limpid style, shows what was wrong with U.S. policy during the intermezzo, and what people can expect after the declaration of peace. For a book written in December 1943, some of the deductions are not far short from being clairvoyant, his essential conclusion being that in the post-war world as compared with the pre-war, "the principal change will be that, for an indefinite future, Germany and Japan will not be great powers." And that, just about sums up the situation to-day, two years after the book was written.

Becker, the historian, is not an optimist but neither is he pessimistic. He considers that power politics are not inherently vicious, but are as organic and natural as the law of actions and reactions, and gives timely warning to his readers that to say "naughty, naughty, you can't do that," to imperialism, will bring no results. As long as nations in the East will need machines and technical skill to reach the technical perfection of the West, whatever the respective merits or demerits of the two ways of life, and as long as the Western countries are the only countries that can provide the necessary capital and skill, the basic warp and woof of imperialism will not be changed. His solution: all economic and capital investments abroad should not be carried out directly by the creditor nation but placed through an international body, thus removing the reason for some nations to meddle in the affairs of others, for in Becker's eyes, Edmund Burke's conception of a sovereign state as a partnership between the dead, the living and the yet unborn, is valid even to-day. That attitude places him quite close to the diehard German school and their implacable stand

on the inviolability and sanctity of sovereignty.

The belief that economic causes are prime movers of war, is currently opposed by a number of historians and seems a bit out-dated, but in many cases it is undoubtedly an important contributing cause. The author scoffs at the idea, recently revived by Winston Churchill, of a United States of Europe, for he fails to see on the continent the common language, traditions and interests which would produce such a Union; and one must admit, even if reluctantly, that at the present he seems to be in the right. Neither does he believe in the success of a grandiloquent and high-sounding world organization, but would rather prefer a working organ whose main functions would be economic and social, without clear definition of its limitations. Such an organization, probably by having less to live up to, would, in his opinion, have much better chances of success than any other. Like most critics of "Idealists," "perfectionists" and "starry-eyed dreamers," his opinions are mainly destructive rather than genuinely constructive, for he has nothing definite and concrete in mind. His final jolt to the liberals' solar plexus is that no new inventions can basically change the world, for "neither human nature nor fixed habits of thought nor social folkways can be wholly transformed in one generation." The inference being that they could be transformed in several, but civilization is a frail thing at best and may not be able to stand the strain.

It is a good, clean-hitting book that pulls no punches but lets its readers face the facts, even if they are malodorous. To-day we can realize that Professor Becker was uncannily right on many of his points, but that doesn't make him infallible. A good book and one recommended as a thought-provoker, even if one doesn't agree with the author completely, and a serious opponent of the liberal Hayes school—beloved reference of so many Professors of History.

## China Diary

FLIGHT FROM CHINA, by Edna Lee Booker, MacMillan Company, New York, 1945. 236 pps, US\$2.50. Reviewed by Ernestine Evans in the New York Herald Tribune.

LONG after the war is said to be "over" we shall be back-tracking trying to find out not only why it happened but what did happen in the vastness of the inhuman melee that it was. Documentation in terms of personal experience by

thousands or even millions of witnesses will come from the presses. Edna Lee Booker, whose "News Is My Job" last year recounted a newspaper woman's coverage of the long war in China, now collaborates with her husband in a more personal story of her first assignment in the Orient, and her marriage there to John S. Potter, an American business man with headquarters in Shanghai. She describes the agreeable social life of the foreign settlements, the holidays and expeditions on professional business elsewhere, the comedy of household arrangements with the always unique amahs of Chinese memoirs, the events of the Japanese assault on China, the growing menace of World War II on the Chinese Coast, and her flight with her daughter Patty on the S. S. Monterey in 1941, leaving her husband to hang on and await events. Her husband's part of the book, post-Pearl Harbor, deals with the Shanghai story up to his incarceration in a Japanese prison camp, his release and return on that now familiar Gripsholm voyage.

This book by two Americans is both dream and nightmare of a period at hand, full of horrid sights and sounds—Japanese soldiers pursuing a Chinese girl over the rocks, her screams, and Edna Lee's helplessness looking on; a blind Chinese storyteller singing of the first gutting of Shanghai by Japanese 400 years ago, making it all as vivid as if it were only yesterday. The narrative is full of detailed account of the utter stupidity and absurdity as well as cruelty of Japanese propaganda and war-making. The vignettes of Chinese of all degrees, and with wit, dignity and wisdom dispersed among all classes, abound.

The book has the defect of all personal recitations of war experience in assuming in the reader often more interest in the family personalities than exists. It contains more pidgin-English than some readers will bear, and in general the intertwining of intimate details of the Potter family household, the crowded canvas of domestic characters—the gardener who would have no open-air grills in his Chinese garden, the amah who was servant and household goddess in one, with chronology of political developments, with reminders of the last 4000 years of Chinese history, take more than summer attention. On the other hand, the richness of "Flight From China" depends on this interweaving, and its moral, perhaps, if it has a moral, it is, that nothing in time or place is unrelated. Mr. Chu, Edna Lee Booker's Chinese teacher; presenting her with a scroll which was a chart of Chinese history, and delicately adding with his scholar's brush the block of New China to the chart, said to her: "This time of ours is like a strange confused dream. But it is only a day in China's ten thousand yesterdays, in her ten thousand tomorrows." There are enchanting pen-and-ink sketches by Peggy Bacon.

## Orthopaedic Clinic

## LEYSER BROS. & CO.

10 Gordon Road. Tel. 34617

(9-12, 2-6—Saturday 9-1)

We Supply All Kinds of Bandages as:



Arch Supports

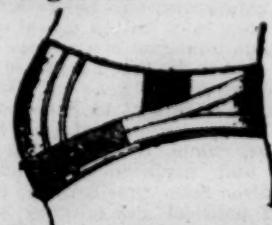
Hernial Trusses

Abdominal Belts

Postoperation  
Bandages

Spine Supports

Pedicure



Apollo Reducing Belts



# The Central Bank of China

BANKS' BANK

---

---

HEAD OFFICE:

CHUNGKING

---

---

SHANGHAI OFFICE:

The Bund

Cables: "Governbank"

---

---

BRANCHES:

|                      |                   |             |
|----------------------|-------------------|-------------|
| Shanghai             | Peiping           | Ipin        |
| Hanghsien (Yungkang) | Nanchang          | Yaan        |
| Ningpo               | Kian              | Kiangtsing  |
| Chuhsien             | Linchwan          | Nankiang    |
| Amoy                 | Chengchow         | Tzeliutsing |
| Foochow              | Kaifeng (Nanyang) | Nanpu       |
| Tsinkiang            | Loyang            | Mienyang    |
| Nanping              | Sian              | Loshan      |
| Chienou              | Nangcheng         | Kwangyuan   |
| Puchen               | Lanchow           | Santai      |
| Santau               | Tienshui          | Ichang      |
| Kulangsu             | Kweiyang          | Hankow      |
| Canton               | Panhsien          | Changsha    |
| Swatow               | Kunming           | Changteh    |
| Kongmoon             | Mengtsz           | Lingling    |
| Wuchow               | Chungking         | Hengyang    |
| Kweilin              | Chengtu           |             |
| Tientsin             | Wanhsien          |             |

FOREIGN CORRESPONDENTS:

New York, London, Paris, Geneva and Hongkong

# 京 滬 線 NANKING SHANGHAI LINE TIME TABLE

| 44        | 24        | 2     | 22    | 42        | 74        | 4          | 車次 TRAIN NO.     | 73        | 41        | 43        | 23        | 1     | 21    | 3          |
|-----------|-----------|-------|-------|-----------|-----------|------------|------------------|-----------|-----------|-----------|-----------|-------|-------|------------|
| 4th Class | 3rd Class | Exp.  | Fast  | 2,3 Local | 2,3 Local | Night Exp. | 站名 STATIONS      | 2,3 Local | 2,3 Local | 4th Class | 3rd Class | Exp.  | Fast  | Night Exp. |
| 1.00      | 7.00      | 9.00  | 11.00 | 15.00     | 18.00     | 21.00      | D 上海 SHANGHAI A  | 10.45     | 12.10     | 13.30     | 18.40     | 16.30 | 19.35 | 6.30       |
| 2.36      | 8.39      | 10.07 | 12.12 | 16.57     | 19.53     | 22.33      | A 崑山 QUINSAN D   | 8.45      | 10.14     | 11.35     | 17.01     | 15.20 | 18.13 | 5.16       |
| 2.41      | 8.42      | 10.12 | 12.16 | 17.10     | 19.56     | 22.38      | D 吳縣 WUHSIEN A   | 8.37      | 10.10     | 11.30     | 16.54     | 15.15 | 18.08 | 5.11       |
| 3.41      | 9.47      | 10.56 | 13.00 | 18.37     | 20.52     | 23.38      | A 無錫 WUSIH D     | 7.29      | 9.00      | 10.05     | 15.50     | 14.30 | 17.23 | 4.20       |
| 4.13      | 9.56      | 11.06 | 13.15 | 18.46     | 21.00     | 23.50      | D 武進 WUCHIN A    | 7.17      | 8.54      | 9.44      | 15.39     | 14.21 | 17.14 | 4.11       |
| 5.23      | 11.07     | 11.57 | 14.25 | 20.02     | 22.00     | 0.48       | A 丹陽 TANYANG D   | 6.00      | 7.41      | 8.30      | 14.28     | 13.31 | 16.19 | 3.14       |
| 5.43      | 11.13     | 12.05 | 14.35 | 20.11     |           | 1.00       | D 鎮江 CHINKIANG A |           | 7.35      | 8.19      | 14.17     | 13.23 | 16.12 | 3.05       |
| 7.03      | 12.23     | 13.02 | 15.46 | 21.30     |           | 1.58       | A 南京 NANKING D   |           | 6.20      | 7.05      | 13.05     | 12.27 | 15.10 | 2.00       |
| 7.22      | 12.50     | 13.15 | 16.00 |           |           | 2.13       |                  |           |           | 6.30      | 12.36     | 12.12 | 14.54 | 1.39       |
| 8.47      | 14.49     | 14.11 | 17.01 |           |           | 3.19       |                  |           |           | 5.05      | 10.29     | 11.18 | 13.39 | 0.20       |
| 8.52      | 15.00     | 14.16 | 17.05 |           |           | 3.24       |                  |           |           | 4.54      | 10.24     | 11.14 | 13.34 | 0.13       |
| 9.55      | 15.55     | 14.54 | 17.43 |           |           | 4.10       |                  |           |           | 3.40      | 9.30      | 10.36 | 12.56 | 23.17      |
| 10.30     | 16.10     | 15.07 | 17.51 |           |           | 4.22       |                  |           |           | 3.17      | 9.12      | 10.25 | 12.41 | 23.05      |
| 13.10     | 18.20     | 16.30 | 19.25 |           |           | 6.00       |                  |           |           | 1.00      | 7.00      | 9.00  | 11.00 | 21.00      |

## FARE LIST

| STATIONS 站名  | Kilo. | I Class Ordinary Express | II Class Ordinary Express | III Class Ordinary Express |
|--------------|-------|--------------------------|---------------------------|----------------------------|
| SHANGHAI 上海  | 52    | 540.00 720.00            | 360.00 450.00             | 180.00 225.00              |
| QUINSAN 崑山   | 86    | 810.00 990.00            | 540.00 630.00             | 270.00 315.00              |
| WUHSIEN 吳縣   | 129   | 1,170.00 1,530.00        | 780.00 950.00             | 390.00 480.00              |
| WUSIH 無錫     | 167   | 1,530.00 1,890.00        | 1,020.00 1,200.00         | 510.00 600.00              |
| WUCHIN 武進    | 212   | 1,980.00 2,520.00        | 1,320.00 1,590.00         | 660.00 795.00              |
| TANYANG 丹陽   | 242   | 2,250.00 2,790.00        | 1,500.00 1,770.00         | 750.00 885.00              |
| CHINKIANG 鎮江 | 311   | 2,880.00 3,600.00        | 1,920.00 2,280.00         | 960.00 1,140.00            |
| NANKING 南京   |       |                          |                           |                            |

# 滬 杭 線 SHANGHAI HANGCHOW LINE TIME TABLE

| 11      | 61          | 31        | 車次 TRAIN NO.            | 32        | 12      | 42          |
|---------|-------------|-----------|-------------------------|-----------|---------|-------------|
| Express | 2,3,4 Class | 2,3 Class | 站名 STATIONS             | 2,3 Class | Express | 2,3,4 Class |
| 7.00    | 7.50        | 15.15     | D 上海北站 SHANGHAI NORTH A | 13.45     | 19.30   | 22.35       |
| 7.15    | 8.09        | 15.35     | A 上海西站 SHANGHAI WEST D  | 13.25     | 19.15   | 22.16       |
| 7.25    | 8.19        | 15.40     | D 松江 SUNGKIANG A        | 13.20     | 19.05   | 22.11       |
| 8.14    | 8.24        | 16.45     | A 嘉興 KASHING D          | 12.12     | 18.16   | 21.07       |
| 8.19    | 8.30        | 16.50     | D 映石 HASHA A            | 12.07     | 18.11   | 21.02       |
| 9.80    | 11.04       | 18.28     | A 長安 CHANGAN D          | 10.38     | 17.00   | 19.35       |
| 9.42    | 11.13       | 18.40     | D 杭州 HANGCHOW A         | 10.28     | 16.48   | 19.25       |
| 10.16   | 11.52       | 19.19     |                         |           |         |             |
| 10.18   | 11.54       | 19.21     |                         |           |         |             |
| 10.53   | 12.39       | 20.07     |                         |           |         |             |
| 10.58   | 12.44       | 20.14     |                         |           |         |             |
| 12.00   | 14.00       | 21.30     |                         |           |         |             |

## FARE LIST

| STATIONS 站名  | Kilo. | I Class Ordinary Express | II Class Ordinary Express | III Class Ordinary Express |
|--------------|-------|--------------------------|---------------------------|----------------------------|
| SHANGHAI 上海  | 45    | 450.00 632.00            | 300.00 290.00             | 150.00 495.00              |
| SUNGKIANG 松江 | 99    | 900.00 1,080.00          | 600.00 690.00             | 300.00 345.00              |
| KASHING 嘉興   | 125   | 1,170.00 1,530.00        | 780.00 960.00             | 390.00 480.00              |
| HASHA 映石     | 151   | 1,440.00 1,800.00        | 960.00 1,140.00           | 480.00 570.00              |
| CHANGAN 長安   | 190   | 1,710.00 2,070.00        | 1,140.00 1,320.00         | 570.00 660.00              |
| HANGCHOW 杭州  |       |                          |                           |                            |

**華 中 鐵 路 管 理 委 員 會**  
**CENTRAL CHINA RAILWAY ADMINISTRATIVE COMMISSION**